

THE FUNJAB PEASANT



‘He did not, in fact, make a hobby of any one part of his work but kept the welfare of the estate as a whole before his eyes. The object most prominent to his mind in the estate was not the azote nor the oxygen in the soil nor the atmosphere, not a particular plough or manure, but the principal agent by means of which the azote and the oxygen and the plough and the manure were all made effectual—that is, the labourer, the peasant. He looked on the peasant not merely as a tool, but also as an end in himself, and as his centre. At first he studied the peasant attentively, trying to understand what he wanted, what he thought good and bad, and he only made a pretence of making arrangements and giving orders, while he was in reality learning from the peasants their methods and their language and their views of what was good and bad. And it was only when he understood the tastes and impulses of the peasant, when he had learned to speak his speech and to grasp the hidden meaning behind his words, when he felt himself in alliance with him, that he began boldly to direct him’ (Tolstoy, *War and Peace*)

THE PUNJAB PEASANT in Prosperity and Debt

by

MALCOLM LYALL DARLING, I.C.S.

*AUTHOR OF *Some Aspects of Co-operation in Germany, Italy and Ireland**

With a Foreword by

SIR EDWARD MACLAGAN, K.C.S.I., K.C.I.E.

LATE GOVERNOR OF THE PUNJAB

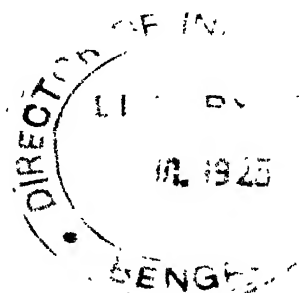


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To
MY FORMER COLLEAGUES
IN THE CO-OPERATIVE DEPARTMENT,
BOTH ENGLISH AND INDIAN,
WITHOUT WHOSE ASSISTANCE AND ENCOURAGEMENT
THIS BOOK COULD NOT HAVE
BEEN WRITTEN.



FOREWORD

To readers interested in Indian economics no introduction seems necessary for so fascinating a subject as 'the Punjab peasant in prosperity and debt', but, as one who has from time to time been engaged in a close study of this subject, I may perhaps be excused if I interpose a few words at the commencement of this book. I do not wish to comment on, or criticize in any way, the subject-matter of the book, and indeed am not in a position to do so, having been prevented by considerations of time and distance from seeing more than the first five chapters, and thus being necessarily unacquainted with the completion of Mr. Darling's picture and the ultimate trend of his conclusions. I have seen enough, however, to realize the comprehensiveness of his study, the care with which he has collected his data, and the sympathy with which he has handled them.

During the first ten or fifteen years of my official life in India, the indebtedness of the Punjab peasant was a subject very keenly debated in official circles. The increase of debt among the peasants, its causes and its effects, were portrayed with dramatic intensity in Mr. Thorburn's volume on *Mus-salmans and Money-lenders*. The accuracy of his data was impugned by some, and by others his forebodings were held to be exaggerated, but his propaganda had the desired effect of drawing serious attention to a subject of the highest importance. On one point his supporters and his critics were almost unanimous, namely, on the seriousness of the increasing expropriation of the peasant proprietor by the money-lender. Many, both among the officials and among the public at large, while recognizing the seriousness of the danger, were not prepared to deal with it by any such method as the direct curtailment of the power of alienation on the part of the peasant. Ultimately, however, the question was brought to a head by Sir Denzil Ibbetson, as Secretary to the Government of India. I was behind the

scenes myself at the time, and had much to do with the collection of the information upon which Sir Denzil's proposals were based. It was as a result of his proposals, and of the strong support accorded to them by the Home Member, Sir Charles Rivaz, that the Act of 1900 was passed and the peasant's power of alienating his land was curtailed.

With the passing of the Act the official discussions of the peasants' indebtedness were from one point of view discontinued. The Act was not a complete remedy, but it met with genuine approval from the agricultural tribes whose rights it restricted, and was held by the Government to have achieved the purpose for which it was enacted. So far, therefore, as the expropriation of peasants was concerned, the *fait accompli* was accepted. Criticisms were from time to time put forward, but as a rule on communal, rather than economic, grounds; and the problem of maintaining the connection of the peasant with his ancestral lands was looked on as being settled—so far as such a question could be settled—by the Act of 1900.

The expropriation problem represented one phase only of the general question of peasant indebtedness. It was the phase which had the most direct influence on political conditions, and which called for the most urgent remedy. It had for these reasons to be dealt with independently of the other aspects of the case. These other aspects were not, however, neglected, and various remedies for the economic evils of debt were carefully considered. Of these, the remedy on which the Government placed most reliance was the encouragement of co-operative societies, and—again under the influence of Sir Denzil Ibbetson—an Act was passed with a view to encouraging and regulating the practice of economic co-operation in the country. This measure has met with general approval, and a very successful commencement has been made, since the passing of the Act, in the introduction and extension of co-operative principles, more especially among the peasants of the Punjab.

This in itself constitutes in my opinion the most useful and the most hopeful means of dealing with the problems of

agricultural credit. In carrying out this policy the Government has obtained a fair degree of public sympathy and assistance, but it has had mainly to rely on the enthusiasm and driving power of a select body of officers, European and Indian, who have specialized on the subject and have devoted much time to its study both in India and in Europe. These officers—of whom Mr. Darling is one—have not confined their attention to the technicalities of co-operation, but have extended their researches over the whole range of agricultural economics in the Punjab. They have, from different points of approach, established what may be looked on as a school of economic thought in the province. It is largely with their help and under their influence that the recently constituted Board of Economic Research in the Punjab has started on a series of valuable rural investigations. They have themselves published monographs in the form of books, pamphlets and papers, in which our existing data have been brought together and the economic features of our agriculture have been portrayed in a manner that has attracted the admiration of professional economists in all parts of India. Owing largely to the special researches made at stated intervals by settlement officers under our system of land revenue, we are better furnished with data on agricultural economics than many other countries; and it has been the function of the new school of enquiry to bring the results of these and other data together, and to present us with a general conspectus of the agricultural conditions now prevailing, and of the problems to which they give rise.

Mr. Darling has in this book made a notable contribution to the economic literature of India. He has given us a vivid picture of the peasants' attitude towards the supply and use of capital. At the same time the vividness of his portraiture has not betrayed him into partizanship. Under his guidance we recognize that we are dealing with a very complicated series of problems, and that it is not possible to rely on preconceived generalities in dealing with them. We acknowledge the abuses connected with money-lending in this part of India, but we learn the usefulness, and indeed the necessity,

of the money-lender in agricultural economy. We discern that it is not indebtedness that is the evil, but indebtedness for unproductive purposes. We are confronted with not a few of the antinomies or apparent contradictions that underlie economic conditions in India. We observe how in one tract or in one period the agriculturist woos the money-lender for money, while in others the money-lender woos the agriculturist. We are shown how in some conditions poverty, and in others prosperity, is the cause of debt. With these and other complexities the observer is apt to be bewildered, and Mr. Darling will have conferred a great benefit if he has—as I believe him to have—brought light to bear on these mysteries, and has helped the earnest enquirer to reach a correct and sober judgment on the practical issues at stake. With the increase in the value of agricultural produce, the relation of land to commerce is daily changing, and it is to studies such as his that we look when we wish to adjust our notions and to clear our views. What we want most of all at this time is a full picture of existing conditions among the peasantry, accompanied by a careful and dispassionate examination of the problem to which they give rise, and this is a want that Mr. Darling has attempted to meet in the present book. The Punjab peasant is one of the finest and noblest of his kind, and no one who has the welfare of the Punjab peasant at heart can fail to wish Mr. Darling every success in his attempt.

E. D. MACLAGAN.

PREFACE

THIS is primarily a study of agricultural debt in the Punjab. But it is also something more, for debt, when as wide-spread as it is in this country, touches the whole of economic life, and to understand the causes of the one we must know something of the conditions of the other. This explains the method and scope of the book, which, in examining the main problem of the Punjab peasantry, seeks to give some idea of the peasant himself in all his varying conditions of heat and cold, drought and flood, river and waste, abundance and want. If I have been over-bold, I would shelter myself behind the words of Malthus, that 'when a man faithfully relates any facts which have come within the scope of his own observation, however confined it may have been, he undoubtedly adds to the sum of general knowledge and confers a benefit on society'. This is indeed the only claim that I can make, that I have endeavoured faithfully to relate the facts which have come to my knowledge, and have set them down with no more comment than seemed necessary to their understanding. If further justification is needed, it is that, though the indebtedness of the Indian cultivator is a fertile theme for politician and journalist, 'the sum of general knowledge' on the subject is small: how small will be seen from the opening pages of the first chapter.

The absence of information has been the greatest difficulty in writing the book. Bricks are proverbially difficult to make without straw, and in this case the straw had to be gathered from innumerable district gazetteers and official reports, written with very little reference to the subject, and from personal enquiries made all over the province from as many reliable sources as possible. A book written in such circumstances and embracing a province larger than Great Britain must be peculiarly open to criticism and error, especially as it has had to be written in such leisure as could be spared from the labour of organizing a new department. Its

foundation was laid during the three years that I had the privilege of serving in the Co-operative Department, when I had special opportunities for studying the economic life of the peasant. It will not, perhaps, have been written in vain if it leads to further enquiry and more accurate knowledge of the peasant and his problems.

That there is need for enquiry can scarcely be disputed. Hardly a week passes without some reference in debate or the Press to the economic disabilities of the cultivator and to his 'poverty and misery', which, as often as not, are set down to the maleficent influence of a foreign Government. It is always difficult to determine the precise influence of Government upon the economic life of a country—both good and evil are commonly exaggerated—but if this book establishes anything, it is that such poverty as exists in the Punjab to-day has little to do with the activities of Government. The proof of this is that in the canal colonies, where these activities have been most marked, there is not only a complete absence of poverty, but a higher standard of rural prosperity than in probably any other country in Asia, not excepting Japan. Similarly, throughout the central Punjab, which with its network of road, rail and canal has felt the influence of the *Pax Britannica* to the full, there has been in the last 25 years a remarkable rise in the standard of living; while the only tract where the immemorial poverty of India still survives is the south-west, which has benefited less from British rule than any other part of the province.

But enquiry is needed not only to disprove the palpable fallacies of political prejudice, but still more to assure the welfare of three-fifths of the population of the province. In many ways the Punjab is singularly blessed. Its climate is dry, and, with its extremes of heat and cold, is largely accountable for the sturdy physique of the people. Twenty thousand miles of canals and distributaries, all made within the last 60 years, have secured one-third of the province from famine. The soil on the whole is fertile and produces two crops a year, and wheat, which is a more invigorating diet than rice, is abundant. But its greatest blessing is that it is a land of

peasant proprietors. In the West there is a movement, which has grown in strength since the War, to substitute the peasant proprietor for the landlord, in the belief that the welfare of a country is closely linked with this form of agricultural organization.¹ In the Punjab the problem does not arise, for, except along the outer marches, the peasant proprietor is everywhere predominant. And, what is more, he constitutes as fine raw material as can be found in any part of India.

Ignorant, no doubt, and unimaginative, and with a mind that is often as empty as the horizon that surrounds him, he has all the virtues of a life spent in constant battle with the forces of nature. As tenacious as he is patient, the more he is buffeted, the harder he works, and, when circumstances are too strong for him, he will often join the army or seek his fortune abroad. Africa, Australia and America all know him well, and there is not a port in the Far East where he cannot be found earning a modest, but for him substantial, living as watchman, policeman or trader. Like all who live in primitive surroundings, he is hospitable to strangers, and, if sometimes a quarrelsome neighbour—he dearly loves a case in the courts—he is on the whole faithful to his wife and humane to his kin. Like the winter stream of the river upon which he often lives, he is sluggish in mind, but, like the same river in summer, when roused he will overflow with an energy and force that make him occasionally as dangerous in peace as he is always formidable in war. He will then stick at nothing, and the very spirit that makes him the finest soldier in India renders him also capable of the most desperate crime. Otherwise he is sober enough, with a shrewd, picturesque humour which makes his language a joy to those who delight in vivid expression. He is rarely extravagant (except when he is marrying a child), though he is nearly always improvident; and in his way he is industrious, toiling, if need be, under a sun that would kill the thin-skulled white.

¹ See, for instance, the report issued by the Italian Ministry of Agriculture in 1921, *Per la Piccola Proprieta Rurale e Montana*.

'Tis the life of quiet breath
'Tis the simple and the true
Storm nor earthquake shattereth.¹

So sang a great poet of the peasant proprietor of ancient Greece, and there is something of the same serene simplicity in the peasant of the Punjab which makes it impossible not to love and respect him. To three things he is passionately attached: his religion, his family and his land; and for one thing he cares nothing at all: politics; while there is one person he hates: the money-lender. It is upon the adjustment of these five factors that his future depends.

But the Punjab peasant is not quite what he was ten or twenty years ago. He has been through the great War, and no one who has had that experience is quite the same as he was before. The railway had already brought the modern world to his gates, but the War brought it to his sight. Nearly half a million Punjabis served, and most of them served abroad. The return of these men in their thousands could not fail to have an effect upon the village. Outwardly the latter is unchanged, and, with its thick cluster of flat-roofed houses made of sun-dried bricks or clods of mud dug from the village pond, it still suggests the ant-heap or the hive rather than the home. But the great wind which has blown across the world since the War, laden with the pollen of new and strange ideas, has passed, ever so lightly, along its narrow, twisting lanes; and in the evening, when the day's toil is done and men gather at the village gate to smoke the *huqqa* and exchange the latest gossip, the talk is no longer entirely of crops, cases and neighbours. The village is, in fact, stirring with a new spirit, which manifests itself in many different ways, some of them disconcerting enough to the administrator, but all inspired by an underlying desire for better conditions of life. At such a time economic enquiry is essential, for, when an ancient structure is to be renovated or enlarged, the most careful preliminary survey is needed to prevent possible collapse, and thought and skill are required to make the new harmonize with the old. As long as the peasant was content

¹ Euripides, *The Bacchae* (tr. Gilbert Murray).

with the conditions of his forefathers, it was sufficient that he had a paternal government to protect him in the satisfaction of his simple needs. But, now that he has tasted the comforts of a higher standard of living, his wants are multiplying, and to satisfy them he will have to look more and more to himself and less and less to Government; the more so that, as Government becomes more partisan and less paternal, opposing interests become more difficult to reconcile, and when this happens those who cannot look after themselves generally suffer. It behoves, therefore, all who have his interests at heart to study his needs, his desires and his resources, in order that he may have a sure and trusty guide along the path of progress.

Till recently this path was closed to him, for he had neither the ability nor the inclination to follow it. Dominated by *kismet*, provided he had enough to eat and could marry his children and was left in possession of his land, he cared little that another should reap the fruits of his toil, that petty officials had to be placated, that his village was insanitary, that he had neither hospital nor school, and that his roads were deeply rutted tracks often impassable after rain; or, if he cared, he felt powerless to prevent it. But now his eyes are slowly opening to his surroundings, and he is beginning to see the world in a new light, as a place in which everything is not irrevocably fixed by fate, but in which change may be effected and conditions improved. It would be easy to exaggerate this awakening from the slumber of centuries, but the signs of it, though slight, are unmistakable and of profound import to the future of the province. Meanwhile, the tide of wealth that has been flowing into the Punjab for the last 30 or 40 years continues to pass through the hands of the many, who have earned it by their toil, into the hands of the few, who acquire and retain it by their wit; and, as in the days of Sir Thomas Roe, the large fishes continue to eat up the small.¹ The professional money-lender, who, like •

¹ The people of India 'live as fishes do in the sea—the great ones eat up the little' (Sir Thomas Roe, quoted by W. H. Moreland in *India at the Death of Akbar*, p. 269).

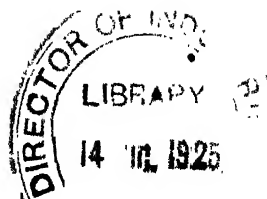
Vespasian, believes that gold, from whatever quarter, 'never smells', is still a power in the land, and as a fresh thorn in the cultivator's side there has arisen the agriculturist money-lender, who is only less formidable than his rival. In spite of, or rather because of the growing prosperity, debt is increasing, and rates of interest are as high as ever. Marriage now absorbs at least a full year's income of all but the richest, and the almost incredible fragmentation of land stultifies all talk of agricultural progress. The result is that the wealth, which might be made the basis of a national development as vigorous as that of Japan, threatens to become a disturbing, if not a corrupting, influence in the State. There are districts where the sudden influx of wealth has been more of a curse than a blessing, and there are others where the weight of debt is so great that large sections of the people are virtually insolvent. An attempt has been made in the following pages to throw some light upon these problems, as well as upon others connected with them; but the field is too large and the problems too complex to be dealt with adequately in a single volume or by a single pen.

Enquiry, therefore, is needed, and in this enquiry the Muhammadan is more directly concerned than either Sikh or Hindu, for, forming 56 per cent. of the rural population, he has necessarily to bear the major part of its debt. No individual can hope for the full development of his powers when heavily involved, and what is true of an individual is equally true of a community. It may well be doubted whether the Muhammadan community will be able to do full justice to itself as long as it is shackled with the chains of debt. And what makes the position worse is, that this debt is almost entirely owed to Hindu and Sikh, a fact which is not calculated to improve the relationship between Hindu and Muhammadan, for prolonged economic disability produces a sense of injury and distrust which makes good feeling impossible. Unfortunately, this communal rivalry is much the greatest obstacle to the development of the Punjab, for a house that is divided against itself cannot stand. This consideration alone shows, how important is the subject of rural indebtedness. But the

most important consideration of all is that the welfare of the peasant, whether Muhammadan, Sikh, or Hindu, is at stake, and that in India, unlike western Europe, the peasant is still the predominant unit of society.

If this book has been difficult to write, the difficulty would have been much greater but for the appearance, in 1922, of *The Wealth and Welfare of the Punjab*, by Mr. H. Calvert, I.C.S., a book which has throughout been my vade-mecum, and which is indispensable to anyone seeking to understand the economic conditions of the province. But my debt to the author extends beyond his book, for he has been kind enough to read almost everything that follows, and has made many valuable suggestions. I am also indebted to Mr. C. F. Strickland, I.C.S., for looking through several chapters; to Messrs. W. R. Wilson, I.C.S., and J. D. Anderson, I.C.S., for placing their unrivalled knowledge of the south-west Punjab at my disposal; to Sirdar Beant Singh, P.C.S., for reading the two chapters on the central Punjab; to Mr. J. G. Beazley, I.C.S., for reading the chapter on the Canal Colonies; to Mr. D. Milne, I.A.S., and other members of the Agricultural Department, for much useful information; and to the many members of the Co-operative Department, through whom most of my personal enquiries were made. For the maps I have to thank Messrs. B. M. Sullivan, O.B.E., and G. E. Francis; and for most of the illustrations Mr. S. M. Nasir, of the Punjab Agricultural College, at Lyallpur. I also acknowledge gratefully the consideration and courtesy consistently shown me by my publishers. It only remains to add that I am solely responsible for any opinion expressed in the book, and that Government has no concern whatever in its publication.

M. L. DARLING.



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ERRATA

- p. 16, l. 11: *for* 1921 *read* 1911
p. 68, l. 8: *for* el sal *read* ek sal
p. 83, footnote 1: *for* 1910-11 *read* 1901-11

CHAPTER I

THE EXTENT OF AGRICULTURAL DEBT IN THE PUNJAB

IN the Punjab, though agriculture is still the only industry of any importance, there is almost no information available as to the extent to which the cultivator is in debt. From time to time enterprising settlement officers have attempted to collect figures for their districts, but for the most part despair of their accuracy has compelled them either to abandon the attempt or to admit that little reliance could be placed on the results.¹ Apart from this, only the following specific enquiries would appear to have been made :—

1. In 1876, the indebtedness of 61 villages in Hoshiarpur was ascertained.²

2. In 1878, in connection with the famine of that year, 223 family budgets were collected from different parts of the Punjab.³

3. In 1896, Mr. S. S. Thorburn, the brilliant author of *Mussulmans and Money-lenders in the Punjab*, undertook an exhaustive enquiry into the circumstances of twelve villages in the districts of Shahpur, Gujranwala and Sialkot.⁴

4. Finally, in 1919 and 1920, two villages in Hoshiarpur were carefully surveyed.⁵

Of these enquiries Mr. Thorburn's is the most valuable, as it was devoted entirely to the question of indebtedness ; but it covers too narrow a field for any conclusions to be based on it for the province as a whole, and it is also somewhat out of date.

¹ The most recent settlements are an exception.

² See *Hoshiarpur Gazetteer*, 1883-84, p. 73.

³ See the *Punjab Famine Report*, 1878-79.

⁴ See *Report on Peasant Indebtedness and Land Alienations to Money-lenders in parts of the Rawalpindi Division*, 1896.

⁵ See *The Economic Life of a Punjab Village*, 1920, by E. D. Lucas ; and *An Economic Survey of Bairampur*, 1923, by R. L. Bhalla.

THE PUNJAB PEASANT IN PROSPERITY AND DEBT

Outside the Punjab there is the same dearth of exact information. The simplest way to show this (b) *Outside the Punjab* is to enumerate the areas in which enquiry has been made. These are as follow:—

1. 1875, twelve villages in Ahmednagar.¹
2. 1894, Nagpur (18,000 tenants).²
3. 1906-10, Faridpur, a district of Bengal, in which the late Major J. C. Jack, I.C.S., made a house-to-house enquiry throughout the district.³

4. 1913, Baroda State (a general enquiry made by the Baroda Darbar).⁴

5. 1917-19, Pimpla Saudagar and Jategaon Budruk, two villages in the Deccan, which were exhaustively surveyed by Dr. H. H. Mann.⁵

6. 1918, Ajmer-Merwara ⁶ (10,779)	} Members of co-operative societies.
7. 1919, Mysore State ⁷ (24,350)	
8. 1919, Bengal ⁸ (4,000)	

These enquiries comprise all the information that is readily available for over 250 million people, and in most cases the information is of the scantiest. So far as rural debt is concerned, Major Jack's enquiry is the most useful, but it did not cover more than a district, whereas the enquiry which is about to be described embraced the best part of a province.

When, six years ago, I first came into contact with co-operation I was struck by the fact that, though its primary object was to reduce debt, no one knew how far or to what extent debt prevailed. About the same time, to assist village banks in making advances to their members, a register was introduced in which the assets and liabilities of each member were

¹ *Report of the Deccan Riots Commission*, 1875.

² Central Provinces Government Letter No. 4423, dated the 10th October, 1894. ³ *The Economic Life of a Bengal District*, 1916.

⁴ *Report on Agricultural Indebtedness in the Baroda State*, 1913.

⁵ *Land and Labour in a Deccan Village*, 1917.

⁶ *Annual Report on Co-operative Societies*, 1918-19 (Ajmer-Merwara).

⁷ *Annual Report on Co-operative Societies*, 1919-20 (Mysore).

⁸ Figures supplied by the Registrar, Co-operative Societies, Bengal.

recorded, including his debts. It was, therefore, a comparatively simple matter to ascertain how far co-operators were in debt. This was done during the year 1918-19 in the case of 55,308 members belonging to 2,106 societies. The returns were prepared according to a prescribed form by inspectors of the Co-operative Department, all educated men and many of them graduates. The results may consequently be trusted. Necessarily only co-operators were considered, but as they include all sections of the agricultural community this is not a serious drawback. If the figures err at all, it is not on the side of exaggeration: subsequent official enquiry leaves little doubt as to this.

In tabulating the returns, members were classified in three categories, viz. proprietors, occupancy tenants, and tenants at will, farm servants, etc. A further *Different Classes of Cultivators* distinction was drawn between proprietors who owned or cultivated eight acres or less and those with more than this. Eight acres was taken as the dividing line, as, according to the only figures available, this appeared to be the size of the average cultivated holding in the Punjab.¹ This means that where holdings are unusually small, as in the central and submontane districts, the average is not more than five or six acres, while in others it may be as much as ten or twelve. Much depends upon irrigation and rainfall: in Jullundur, where 54 per cent. of the cultivated area is irrigated by wells, and in the submontane districts of Rawalpindi, Kangra and Hoshiarpur, where the rainfall is over 30 inches, the average varies from two to five acres; but along the borders of Bikaner, where the rainfall is only 14 inches, it exceeds 80 acres.² This, however, is an exceptional case, and there are in fact few tehsils where the average is more than 10 acres. The Punjab is mainly a country of peasant proprietors, and the problem

¹ Statement iii of the *Punjab Land Revenue Administration Report* gives the only figures available on the subject, but no certain conclusion can be drawn from them (see foot-note on p. 11).

² In the two tehsils of Sirsa (Hissar) and Fazilka (Ferozepore) the average is 60 and 84 acres respectively.

of debt is almost entirely the problem of how to maintain the peasant proprietor upon his land in freedom and comfort. How interesting and difficult this problem is, it will be one of the main objects of this book to show.

Before concluding these introductory remarks, a final point must be noted. It is not enough to know how much a man is in debt. We must also find out, if we can, whether he is seriously involved. The best way to do this is to work out his family budget. In a limited number of cases this has been done,¹ but for over 50,000 people it was obviously impossible. For the mass we must content ourselves with some rough-and-ready standard of general resources. For landowners—and this book deals almost entirely with them—much the best measure of debt is the land revenue, for, broadly speaking, the amount of land revenue a man pays varies with the yield of his land. Viewed as such, it is a form of income-tax and is not a bad indication of his general position. Accordingly, in the tables that follow, not only will the amount of debt be stated, but also the ratio it bears to land revenue. This will give us some idea of the pressure of debt in different tracts, and allow one tract to be compared with another. If, for instance, we find that in two neighbouring districts the amount of debt per head is identical, but that in one district it is twenty times the land revenue and in the other only ten, it is a fair conclusion that the former is twice as heavily involved as the latter. The importance of this will be evident later. We come now to the figures themselves.

*Indebtedness
of Proprietors*

The figures for proprietors are as follow :—

No. of proprietors concerned	Percentage free of debt	Total debt (in lakhs)	Mortgage debt (in lakhs)	Average debt per indebted proprietor	Debt's multiple of the land revenue
43,733	17	168	67	Rs. 463	12

¹ Owing to considerations of space the results have not been given.

THE EXTENT OF AGRICULTURAL DEBT IN THE PUNJAB 5

Salient Points There are four salient points, about each of which something must be said, viz.:—

1. Only 17 per cent. are free of debt ;
2. Net mortgage debt is not more than 40 per cent. of the whole ;
3. The average debt per *indebted* proprietor is Rs. 463 ; and
4. Total debt represents 12 times the land revenue paid by all concerned, whether indebted or not.¹

Few, if any, competent judges have supposed that *over 80 per cent. of the proprietors of the Punjab are in debt.*²

The Percentage Free of Debt Yet this is what the enquiry suggests. The fact emphasizes the truth of Sir Frederick

Nicholson's dictum, that 'the necessary complement of the peasant proprietor is the money-lender',³ and it explains, too, why there are 40,000 money-lenders in the province.⁴ In none of the five circles into which the province has been divided for the purpose of this enquiry are more than 25 per cent. free of debt, and in three districts of the submontane area all but 5 per cent. are involved. Even Mr. Thorburn's enquiry of 1896, which moreover was confined to specially impoverished villages, did not give quite so bad a result as this, for out of 338 owners 12 per cent. were not in debt.

It would be interesting to compare the Punjab with the

¹ In calculating average debt those entirely free of debt have been excluded ; but in calculating debt in terms of land revenue all are included. This has been done throughout the enquiry.

² The *Punjab Famine Report* of 1878-79 contains the following estimates of the percentage of proprietors free of debt :—

Gujranwala 20	Hoshiarpur 30
Gurdaspur 25	Multan 50
Gurgaon 38	Dera Ghazi Khan 33 (Mu-
Muzaffargarh 39 (Mu-	hammadans 60)
hammadans 70)	Jhang 50 to 60

With regard to Hoshiarpur, it is an interesting coincidence that in the present enquiry, which embraced over 3,000 proprietors in this district, exactly the same proportion was found to be free of debt.

³ *Report on Land and Agricultural Banks*, i, 40.

⁴ Calvert, *The Wealth and Welfare of the Punjab*, 1922, p. 129.

rest of India, but very few figures are available for the purpose. I give below all I have been able to discover:—

	PERCENTAGE FREE OF DEBT
1874, Central Provinces ¹ ..	.. 60
1888, the tenantry in the Agra district ² ..	.. 22
1894, Nagpur (18,000 tenants) ³ ..	.. 40
1901, Baroda State ⁴ .. ..	.. 40 (of all landowners)
1907, Faridpur (Bengal) ⁵ ..	.. 55 (of all cultivators)
1919, Mysore State (24,350 co-operators) ⁶	37

These figures suggest that debt is more wide-spread in the Punjab than elsewhere. On the other hand, there is the opinion of the Famine Commission of 1901 that at least four-fifths of the cultivators in the Bombay Presidency are in debt, an estimate which, curiously enough, tallies almost exactly with the figure for the Punjab. But whether conditions in the Punjab are better or worse than in the rest of India, it is clear that the money-lender spreads his net over the whole country.

Net mortgage debt is only 40 per cent. of the whole, and, though it varies from district to district, there are only two (Hoshiarpur and Jullundur) in which it is more *Mortgage Debt* than 50 per cent. Some explanation, however, is necessary before any conclusion about mortgage debt can be drawn. In the first place, *net mortgage debt* is somewhat less than mortgage debt as ordinarily calculated, for in every case in which land has been taken, as well as given, in mortgage, the consideration for the one has been deducted from the consideration for the other.

¹ See *Note by Commissioner of Settlements and Agriculture, Central Provinces*, dated 15th January, 1889, in which over one-third of the proprietors were said to be in debt in 1874. In 1892, 63 per cent. out of 5,524 ryots living in 174 villages in one of the most indebted districts of the Central Provinces (Wardha) were found to be free of debt (*Commissioner's Memo*, dated 29-9-1892).

² Morison, *Indian Industrial Organization*, p. 103.

³ Central Provinces Government letter already quoted.

⁴ Baroda State, *op. cit.* In 1913 the percentage was thought to be much lower, but the exact figure was not ascertained.

⁵ Jack, *op. cit.*, p. 98.

⁶ Mysore State, *op. cit.*

Secondly, some allowance must be made for the fact that the Land Alienation Act debars a non-agriculturist from holding a mortgage for more than 20 years. At the end of this period the mortgage automatically lapses without any payment on account of redemption, which means that the nominal value of a debt secured in this way varies with the age of the mortgage. It was impossible to allow for this in the enquiry, but the fact is of little consequence, as, except in two or three districts, this kind of mortgage is comparatively rare. A more important consideration is that over 9,000 cases belong to Jullundur and Hoshiarpur, where the mortgage loan appears to be commoner than anywhere else. In these two districts the net mortgage debt is over 60 per cent. of the whole, against only 37 per cent. in the north (Rawalpindi, Jhelum and Attock) and less than 30 in the south (Rohtak, Karnal and Hissar). Bearing in mind these different factors, we may estimate the gross mortgage debt of the province at 45 per cent. of the whole;¹ and, allowing (at a guess) another 5 per cent. for other forms of security, such as jewellery, we may say that half the total debt of the Punjab is unsecured.

At first sight it is surprising that the money-lender should have been willing to advance large sums without security to a body of cultivators more distinguished for improvidence than for punctual dealing, and that, too, in a country peculiarly liable to the devastating effects of drought and disease. There are several reasons for this. Before British rule the communal ownership of land made mortgage difficult, and it was only in the valley of the Indus, where individual rights were common, that it was at all frequent.² This was by no means to the disadvantage of the money-lender, as might be supposed, for, being a non-agriculturist, he did not desire the land so much as its produce, which he obtained by the simple process of taking payment in grain. Moreover, by forgoing security he could demand a higher

¹ In 1895 Sir F. Nicholson estimated the rural mortgage debt of the Madras Presidency at 20 crores out of a total debt of 45 crores, which gives approximately the same percentage (op. cit., i, 20).

² See *Dera Ismail Khan Settlement Report*, 1872-79, p. 363.

rate of interest—an unsecured loan costs twice as much as one secured by mortgage; nor did he run any serious risk, as he had ample security in the triple chain of caste, custom and character, which in India binds the cultivator to the soil: only the direst necessity will make the peasant part with his land, and a person who will not part with his land must sooner or later pay his debts. Recently, it is true, new forces have appeared which are calculated to cause the money-lender some anxiety about his capital, but this belongs to the future rather than to the past (see Ch. X). Meanwhile, the cultivator is loath to mortgage his land, fearing always that it may be the first step towards sale.¹ A mortgage, too, entails publicity, and publicity may damage his *izzat* (social position), which may be an important factor in marrying his children. He has, therefore, always been anxious to throw the *pardah* over his debts, a characteristic that proved at first a serious obstacle to the spread of co-operative credit in India. Now, however, the peasant is beginning to realize that it is better business to borrow on a mortgage at 9 or 12 per cent. even though the fact may be known, than to pay twice this amount for the doubtful advantage of keeping his land unencumbered and his debt concealed. This tendency is naturally more evident in advanced districts, like Hoshiarpur and Jullundur, than in the more backward districts of the north and south, and no doubt it partially explains the high percentage of mortgage debt in the former. In short, a high proportion of unsecured debt is an indication that rural finance is in a primitive state, and is good for neither borrower nor lender. The borrower is apt to jump at a loan which can be had by the simple process of applying a thumb-mark to a bond, but thinks twice about it when he has to pledge the land he adores. Similarly, the money-lender is tempted to make

¹ Cf.—‘The debtor defers mortgaging his land as long as he can, probably because he knows that when it is once mortgaged he will find it very difficult to raise money from others and because experience has shown him that the mortgage is the beginning of transfer to the *Sahukar*’ (*Deccan Riots Commission Report*, 1876).

reckless advances by the high rate of interest commonly charged when no security is taken. It is, therefore, a good sign that in some districts the proportion of secured to unsecured debt shows a tendency to rise.

When it is remembered that the average cultivated holding in the Punjab does not exceed ten acres, an average of Rs. 463 per indebted proprietor is considerable. But a figure standing by itself is of little value. Let us, therefore, compare it with the results of the enquiries that have already been mentioned.

These can best be expressed as follows :—

PUNJAB		AVERAGE DEBT	
(1) 1896, nine villages in Sialkot, Gujran-wala and Shahpur (Mr. Thorburn's enquiry)	Rs. 562		
(2) 1918, 43,733 proprietors (present enquiry)	(a) 463	per indebted owner	
	(b) 385	per owner	
OUTSIDE THE PUNJAB			
(3) 1875, 12 villages in Ahmednagar	371	per occupant	
(4) 1907, Faridpur District	121	per indebted cultivator	
(5) 1913, Baroda State	450	per indebted holding	
(6) 1917, Pimpal Saudagar village (Deccan)	225	per indebted family	
(7) 1918 Ajmer-Merwara (10,779 co-operators)	379	per co-operator	
(8) 1919, Bengal (4,000 co-operators)	120		
(9) 1919, Mysore (24,350 co-operators)	273	per indebted co-operator	

No doubt figures collected in widely-scattered areas, at different times and under varying conditions, can have but little comparative value ; but these at least show that debt in the Punjab is not insignificant. The most instructive for our purpose is the first, as it not only relates to the Punjab but is the result of exact enquiry. It is naturally higher than my figure, as the nine villages in question were seriously involved. It is even higher than appears, as in 1896, owing to the greater value of money, a debt of Rs. 562 was a much more serious affair than it would be now. The Ajmer figure, too, is interesting, as it relates to a tract not very far from the Punjab, and it is almost identical in amount.

For the province as a whole, debt is 12 times the land

revenue, which means that the total debt of the proprietors of the Punjab is about 55 crores.¹ Actually, however, there is good reason to believe that this is below the mark. In 1921, the total mortgage debt of the province (excluding occupancy tenants) was ascertained to be 34½ crores,² which means that total debt is 77 crores, mortgage debt being 45 per cent. of the whole. To be on the safe side, we may put it at 75 crores, which is 15½ times the land revenue. With this multiple as our standard we can form some idea of the pressure of debt upon the individual proprietor. The land revenue demand absorbs about one-fifth of the net income of the land.³ Accordingly, a multiple of 15½ means that the average proprietor's debt is equal to about three years of his *net* income. Viewed thus the burden can hardly be regarded as light; on the other hand, if debt and sale value are compared, the burden can hardly be regarded as heavy, for in the last five years (ending 1922) the average price fetched by land amounted to 20½ times the land revenue payable upon it.⁴ It is, however, fairer to express

¹ On the average of the last three years (ending 1922) land revenue amounts to 4·86 crores (*Punjab Land Revenue Administration Report*, statement iv, col. 10). This includes 35 lakhs enjoyed by assignees.

² The figure (37 crores) given in the *Land Revenue Report* for 1922 (p. 28) includes mortgage by occupancy tenants.

³ The percentage of the land revenue demand to total net assets in the last ten settlements is as follows :—

1915	..	..	Ferozepore	..	20
1916	.	..	{ Gujrat	..	21½
			{ Lahore	..	22
1917	.	..	{ Jullundur	..	21
			{ Sialkot	..	31½
1919	.	..	Dera Ghazi Khan	..	26
1920	.	..	{ Multan	..	36
			{ Ambala	..	25
1921	.	..	{ Sirsa	..	22
			{ Montgomery	..	31

These figures give an average of 25·7 per cent. I have taken 20 per cent. above, as in calculating net assets settlement officers are notoriously cautious; also in the last five years prices have risen.

⁴ *Ibid.*, statement xxvi.

debt in terms of net income rather than of sale value, as the latter is notoriously inflated and bears little relation to yield.

At the same time it cannot be too clearly emphasized that in any Western country a debt of 75 crores or £50 millions would be considered a very small one for a province of 21 million inhabitants. In Prussia, a country with a population of 35 millions, landowners' debt in 1902 amounted to £377 millions, and in a single year (1913) net mortgage debt in rural areas increased by nearly £40 millions, that is to say, by an amount which is not far short of the total debt of the proprietors of the Punjab. Yet before the War Prussia was as strong in agriculture as any country in the world. It is one of the complexities of the subject that debt may be as much an indication of prosperity as of poverty. No poor country can support a heavy debt, for debt rests upon credit, and the poorer the country the lower its credit.

The enquiry made in Prussia in 1902 was exhaustive, and some of its results are worth comparing with those for the Punjab. This is done in the following table :—

	PUNJAB	PRUSSIA ¹
Proprietors (families) ..	1,500,000 (round) ²	628,876
Total debt	75 crores	563 crores
Average debt per proprietor	Rs. 463	Rs. 9,000 (£600)
Free of all debt	17 per cent.	29½ per cent.
Average holding	8 acres	82½ acres

It will be seen that the average holding in Prussia is about ten times as large as it is in the Punjab: it is, there-

¹ Figures given me by Professor Max Sering (University of Berlin).

² The number of proprietors is unfortunately unknown. Col. 5 of statement iii of the *Land Revenue Report* is misleading, as it includes many owners more than once. The figure given above is based upon the Census returns. In 1911 rent receivers and cultivating proprietors formed 34 per cent. of the whole population (*Punjab Census Report*, 1911, p. 494). Applying this percentage to the population for 1921, we get a total of 7,032,900 proprietors (with dependents), i.e. about 1,500,000 families (at 4·5 per family). Broadly this agrees with the results of my enquiry. The latter gives an average of Rs. 385 per owner (see table on p. 9): at this rate, with 1½ million landowning families, total debt would be about 58 crores, which is only three crores more than the estimate deduced through the medium of land revenue (see p. 10).

fore, fairer to compare debt per acre than per proprietor. Even so, the difference is marked, for in Prussia it is four times as heavy as in the Punjab, averaging Rs. 105 (£7) an acre against Rs. 26 in the latter.¹ Another point that may be noted is the number of proprietors entirely free of debt. The percentage in Prussia ($29\frac{1}{2}$) is nearly twice as great, and in the Punjab is only equalled in a few of the more prosperous districts, such as Hoshiarpur and Jullundur. In Prussia, too, the percentage is much higher for small holders than for large, whereas in the Punjab there is little to choose between the two (see below), which suggests that the small holder in Prussia is more provident, or at least a better man of business, than he is in the Punjab. Considering that in 1902 the agricultural population of Prussia was probably not more than 50 per cent. larger than that of the Punjab,² the debt of the latter, in volume at least, compares favourably enough with that of the former.

The method followed in this enquiry enables a comparison to be made between the larger and the smaller proprietor. As stated above (p. 3), the dividing line between the two has been taken at eight acres. All who own or cultivate more than this have been classified separately from those who own or cultivate less. The results may be summarized as follows:—

	Number	Percent- age free of debt	Percent age of mortgage debt to total debt	Average debt	Debt's multiple of land revenue
Larger Proprietors	25,840	18	40	Rs. 570	10
Smaller „	17,180	17	40	Rs. 310	27

It will be seen that virtually as many large proprietors

¹ The cultivated area of the Punjab is about 29 million acres.

² In 1900 the total population of Prussia was 34,472,501, from which must be deducted the large urban population. The total population of the Punjab (1921) is 20,685,024.

are in debt as small, and that in both cases mortgage debt is only 40 per cent. of the whole. On the other hand, the larger proprietor is both more highly in debt and less seriously involved than the smaller. Though he owes Rs. 570, his debt is only ten times the land revenue, while the corresponding figures for the smaller proprietor are Rs. 310 and 27. Every district for which ample returns are available gives the same result, as the following two tables show. The first shows that in every case the larger holder is more *highly* indebted than the smaller :—

DISTRICT	LARGER PROPRIETORS		SMALLER PROPRIETORS	
	Number	Average debt per indebted proprietor	Number	Average debt per indebted proprietor
		Rs.		Rs.
Sialkot ..	1,874	547	651	326
Gurdaspur ..	3,039	461	1,564	368
Hoshiarpur ..	1,043	1,090	1,975	470
Ambala ..	1,367	566	870	324
Lahore ..	713	865	686	387
Jullundur ..	2,428	639	3,841	278
Ferozepore ..	1,207	902	734	298
Gujrat ..	946	436	691	243
Rawalpindi ..	671	218	1,040	144
Rohtak ..	2,277	569	1,800	367

Similarly, the second table shows that the smaller proprietor is more *heavily* involved :—

DISTRICT				DEBT'S MULTIPLE OF LAND REVENUE	
				Larger proprietors	Smaller proprietors
Sialkot ..	..	..	..	15	31
Gurdaspur ..	..	..	..	19	36
Hoshiarpur ..	..	..	..	15	33
Ambala ..	..	..	..	23	52
Lahore ..	..	..	..	18	46
Jullundur ..	..	..	..	11	20
Ferozepore ..	..	..	..	17	46
Gujrat ..	..	..	..	10	22
Rawalpindi ..	..	..	..	5	25
Rohtak ..	..	..	..	13	43

It is clear that, though the larger proprietor is more *highly* indebted, the smaller is more *heavily* involved. In each of these ten districts the smaller proprietor owes less, but his debt expressed in terms of land revenue is two or three times as great. It is evidently much harder for the smaller proprietor to remain solvent than for the larger, and in the course of this study it will be shown that it is only possible if he is exceptionally industrious or has some extraneous source of income such as military service. And here we may note that these figures confirm what has been said above (p. 3), that in the Punjab the problem of debt is mainly the problem of the small proprietor, for 40 per cent. of our 43,000 proprietors own or cultivate eight acres or less.

This book deals almost exclusively with proprietors, but, as the enquiry included nearly 12,000 tenants, farm servants, etc., figures for them will also be given. Tenants in the Punjab fall into two main classes, namely, the ordinary tenant at will, and the hereditary tenant who, subject to the payment of rent, has a permanent right to cultivate his land. The latter is called an 'occupancy tenant' and has almost the status of a small proprietor. Over 4,000 of them came under enquiry, the results of which are given below side by side with the corresponding figures for small proprietors:—

		Occupancy tenants	Small proprietors
Free of debt ..		20 per cent.	17 per cent.
Average debt per indebted tenant ..	Rs. 290		Rs. 310
Percentage of mortgage debt to total debt ..	25		40

The figures show that there is little to choose between either class. The small proprietor raises rather more by mortgage, no doubt because he owns his land, and is a trifle more in debt, but debt is almost as wide-spread in the one case as in the other.

In addition we have figures for 7,500 ordinary tenants, farm servants, etc., many of whom are village menials. Twenty-two per cent. are free of debt, and the remainder owe

an average of Rs. 135 each, which is less than half the amount owed by occupancy tenants.

*Debt follows
Credit.*

The main interest of these figures lies in the fact that they illustrate the truth of the statement, that debt follows credit. This will be seen from the following comparative statement:—

			Average debt
Large proprietors	..	..	570
Small proprietors	..	..	310
Occupancy ..	..	..	290
Tenants at will ..	..	..	135

The large proprietor borrows more than the small, and the proprietor more than the tenant. The tenant at will and farm servant borrow little, because they have little security to offer; the large proprietor borrows much, because he has ample security to offer. No doubt his needs are greater, but where resources are ample, needs are apt to be dictated more by 'wants' than by necessity. This conclusion is in general agreement with the results of other enquiries. 'It is commonly observed,' says the Indian Famine Commission of 1879, 'that landholders are more indebted than tenants with occupancy rights, and tenants with rights than tenants at will.'¹ Mr. Thorburn found that the hopelessly involved were mostly amongst the smallest holders, and that the larger debts were incurred by the larger owners.² Similarly, in Faridpur, Major Jack found that nearly half the debt had been incurred by cultivators in comfortable circumstances, and that 48 per cent. of the poorest class had no debt at all. The villager's remark (when asked how much he was in debt), that he was too poor to have a debt, explains the reason for this and goes to the root of the matter. No one but a fool or a philanthropist will lend to a pauper. Debit and credit go hand in hand. Before there can be the one there must be the other, and in a country where the standard of education is low and the system of money-lending bad, the better a farmer's credit the more he will borrow. The *existence* of debt, as we shall see, is due to necessity, but its *volume* depends upon credit, and the link between the two is the money-lender. It

¹ Report, ii, 131. ² Op. cit., p. 32.

is important to grasp this fundamental fact of rural finance, as it is the key to the paradox that prosperity and debt are intimately connected. England could not have borrowed £8,000 millions had she been a less prosperous country; nor, to compare small with great, could the Punjab support her infinitely smaller debt were she as poor as some would have us believe. This connection between prosperity and debt is so important, and in this country so little understood, that it is treated at length in a separate chapter (XI).

It is now possible to estimate the total agricultural debt of the Punjab. From the census report of 1921 (paragraph 600)

there would appear to be about one million families of tenants and farm servants, etc., who are dependent upon agriculture, but own no land.¹ According to my enquiry the average debt

Total Agricultural Debt of the Punjab of tenants of all kinds, whether indebted or not, is Rs. 150 per family. A total debt of 15 crores may, therefore, be assumed for agriculturists who are not proprietors. Adding this to the 75 crores estimated for the latter, we get a total of 90 crores, or £60 millions, for the agriculturists of the province.

A debt of 90 crores is equivalent to a debt of Rs. 76 per head of those who are supported by agriculture.² If the average income of the latter were known, we should have an accurate measure of the burden of debt, but, unfortunately, it has never been ascertained. In Bombay, however, it has recently been calculated that the income of agriculturists is about Rs. 75 per head, and in Madras the corresponding figure for all classes of the population is said to be a little over Rs. 100.³ In the Punjab, which is agriculturally the most prosperous part of India, the amount will almost certainly be greater than in Bombay, and perhaps as much as the figure for Madras. In any case we may, I think, safely say that

¹ Applying the percentages given on page 494 of the Census Report of 1911 to the population of 1921, the number of families would be 1,103,200 (round), assuming 4·5 persons per family.

² 11,864,688 (*Punjab Census Report*, 1921, p. 375).

³ Rushbrooke Williams, *India in 1922-23*, p. 197.

debt is less than a year's income of those who are dependent on agriculture. This conclusion becomes almost a certainty if we consider debt in terms of agricultural produce. For the last three years (ending 1922-23) the average annual gross value of the latter is estimated at 128 crores (£86 millions) which is over 40 per cent. more than the total debt.¹

It would be a matter of the highest interest if the agricultural debt of the Punjab could be compared with that of other provinces; but, in spite of all that *India's Total Rural Debt* has been written on the subject, so little is known about indebtedness in India that the only provincial figure available for the purpose is Sir Frederick Nicholson's for Madras. In 1895 he estimated the total rural debt of the province at 45 crores,² and on the basis of this estimate Sir Edward Maclagan reckoned in 1911 that the total agricultural debt of British India was roughly 300 crores.³ We are likely to arrive at a more correct estimate if we take as our basis the Punjab figure of to-day rather than the Madras figure of nearly 30 years ago. The Punjab figure (90 crores) is 19 times the land revenue of the province. Applying this multiple to the land revenue of British India (including Burma), we get a debt of 674 crores.⁴ There is, however, reason to believe that the Punjab is more highly indebted than most other parts of rural India. Various things suggest this: for instance, the comparative tables given above (pp. 6 and 9); the number of money-lenders, which in proportion to population is three times as great in the Punjab as in the rest of British India,⁵ and the special legislation that has had to be passed to protect the cultivator against the money-lender. Instead, therefore, of taking a multiple of 19 it will be safer to take one of 17. This gives a total of 603 crores. The amount is probably higher, as, wherever

¹ This estimate has kindly been worked out for me by the Director of Land Records, Punjab.

² *Op. cit.*, 120.

³ *Note on Agricultural Indebtedness in India*, p. 2.

⁴ According to the budget estimates of 1923-24 the land revenue of British India amounts to 35.45 crores.

⁵ See Chapter X.

there is a permanent settlement, land revenue is on a much lower scale than elsewhere;¹ nor does the land revenue figure taken for British India include land revenue enjoyed by assignees, though it does in the case of the Punjab. Further, if we apply the Punjab figure in terms of population, we get a total of 1,080 crores, for the rural population of the Punjab is only one-twelfth of that of British India. Very tentatively, therefore, we may say that the total rural debt of British India, with its population of 247 millions, is not less than 600 crores or £400 millions.

This figure is not in itself alarming. It is little more than the amount owed by the 628,000 proprietors of Prussia in 1902, and is considerably less than the *Its Unproductive Character* £475 millions owed by the farmers of the United States in 1910.² The serious feature of the case is that a large part of the debt is unproductive. In the Punjab from 33 to 50 per cent. of it is probably due to compound interest and to the vicious system of money-lending described in Chapter X. An appreciable amount is also the result of extravagant expenditure upon marriages, upon which there are few who do not spend at least a year's income whenever they marry a son.³ Only the smallest fraction, almost certainly less than 5 per cent., is due to land improvement.⁴ If the whole agriculture of the province had to be supported on borrowed capital, existing debt would be sufficient for the purpose, for farming in the Punjab is said to require only Rs. 30 an acre,⁵ whereas debt per cultivated acre amounts to Rs. 31. Actually most of the live and dead

¹ For instance, in Bengal land revenue averages only 10½ annas per head against 37 annas in the Punjab (*Statistical Abstract for British India*, 1923, p. 353).

² See E. G. Nourse, *Agricultural Economics*, p. 721; also cf. Italy, which in 1896, with a population of less than 35 millions, had a debt (agricultural and urban) of £391 millions; for Japan see Chapter IX.

³ See p. 55 *et. seq.*

⁴ Sir F. Nicholson states that in Madras only 1·3 of registered loans was for the improvement of land (*op. cit.*, p. 18).

⁵ See Roberts and Faulkner, *A Text-book of Punjab Agriculture*, 1921, p. 4.

stock required for farming belongs to the cultivator, and much of it has been acquired without recourse to the money-lender. It follows that unproductive debt is much larger than it need be. One of the disadvantages of unproductive debt is that it tends to increase automatically. Productive debt by fertilising the soil creates its own means of repayment, but unproductive debt is apt to be repaid with difficulty. Where, too, it is common, rates of interest are high and interest has constantly to be added to principal. In the Punjab the average rate of interest is probably not less than 15 per cent.¹ With a debt of 90 crores this involves an annual charge of $13\frac{1}{2}$ crores, an amount which is nearly three times as great as the whole land revenue of the province (4.86 crores). It would be surprising if in such circumstances debt showed no signs of increasing. There is, indeed, every reason to believe that in the last twenty years it has increased considerably. This very important aspect of the subject is discussed at length elsewhere.²

Much is said in certain quarters about the burden of land revenue, but it is nothing compared with the burden of debt.

<i>Land Revenue and Debt</i>	Land revenue averages only Re. 1-11-0 per cultivated acre ³ and less than Rs. 4 per head of those who are supported by agriculture.
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Compare this with the corresponding figures for debt, which are Rs. 31 and Rs. 76 respectively; in both cases land revenue is less than six per cent. of the amount. This should be sufficient proof that it is not an important cause of debt. The contrary, however, is so frequently stated that the point will be considered in detail in another chapter.

<i>Muhammadian Debt</i>	There is one other feature that must be noted in regard to debt in the Punjab. Though almost the whole of it has been advanced by Hindus or Sikhs, neither being debarred by religion from the taking of interest, well over half has been incurred by Muhammadans. Forming 56 per cent. of the rural population,
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¹ For rates of interest see Chapter X. ² Chapter X *et seq.*

³ The normal area sown is 28.81 million acres (*Land Revenue Administration Report*, 1922, p. 2).

Muhammadans must owe at least 50 crores, and, seeing that they are generally more involved than their neighbours, the amount is probably nearer 60 crores. No community can hope to thrive with so great a handicap, and, if the Muhammadan community wishes to keep abreast of its rivals, it behoves it to consider most seriously how debt can be reduced.

Fortunately there is a comparatively simple remedy available. In connection with the enquiry described in this chapter the discovery has been made that a person who joins a co-operative credit society can in ten to twenty years clear off the whole of his debt, and in addition accumulate enough capital to supply the modest requirements of his somewhat primitive system of farming. The importance of this discovery, of which details are given in Chapter XII, can hardly be exaggerated, for it means that with the necessary organization and effort debt can be entirely paid off, or, better still, it can be converted into a productive debt with which the whole province can be developed.

Summary of Statistical Results It now only remains to sum up the statistical results of this very statistical chapter, and in doing so we should remember that they are essentially tentative. They are as follow :—

1. Only 17 per cent. of the proprietors of the province are not in debt (p. 5).

2. Mortgage debt is probably not more than 45 per cent. of the whole (p. 7).

3. Average debt per indebted proprietor is Rs. 463 (p. 9).

4. Proprietors' debt amounts to 75 crores (£50 millions), or $15\frac{1}{2}$ times the land revenue, and total agricultural debt to 90 crores (£60 millions), or 19 times the land revenue (p. 16).

5. The larger proprietor is more highly indebted than the smaller, but the latter is more heavily involved (p. 13).

6. Debt is almost as wide-spread amongst tenants as amongst proprietors, but it is much lower in amount, averaging only Rs. 150 per family.

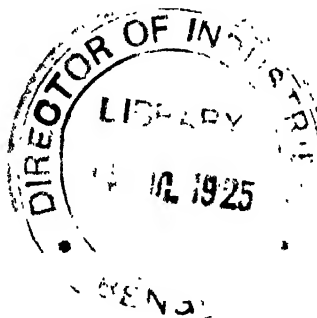
7. The total agricultural debt of the province averages

Rs. 31 per cultivated acre, and Rs. 76 per head of those who are supported by agriculture (p. 19).

8. This is probably less than a year's *gross* income (p. 17), and in the case of proprietors it is roughly equal to 3 years' *net* income of their land (p. 10).

9. Annual interest charges amount to over 13 crores, or nearly three times the total land revenue of the province (p. 19); and

10. The total agricultural debt of British India (including Burma) is not less than 600 crores, or £400 millions (p. 18).



CHAPTER II

FOUR SUBMONTANE DISTRICTS

HOLDINGS, CHARACTER AND DEBT

THE last chapter dealt solely with the extent of debt: we must now consider causes, and this must be done in detail, for, till causes are known no malady can be cured.

*Method of
Enquiry*

Much has been written on the subject, but conclusions have usually been based more upon general impressions than upon systematic enquiry. There has been little effort in any part of India to analyse causes in relation to the varying conditions of environment, or to distinguish between those that are basic and those that are minor. The result is a blurred picture of cause and effect, in which it is difficult to distinguish the essential features of the problem. In the chapters that follow an attempt will be made to ascertain the fundamental causes of debt in the Punjab, and to set them forth in such a way that it will be possible to determine how far they can be remedied and how far the remedy must depend upon Government or the people. For this purpose, instead of taking a bird's-eye view of the province as a whole, I propose to examine it tract by tract, in the hope that by narrowing our view we may sharpen our sight and finally arrive at conclusions based upon ascertained fact. If, for instance, a cause is found to be prominent in several areas, it will be safe to conclude that it is a main cause of debt: and, contrariwise, if it is found to be at work in only a limited area or nowhere strongly marked, we may conclude that it is not important. Only in the case of factors present in every part of the province—the best example is the money-lender and his system—will it be necessary to widen the angle of vision and embrace the whole Punjab in our view.

To give effect to this method the province has been divided into six circles. These are marked on the map

*The Different
Tracts of the
Province*

opposite, and for the most part follow obvious geographic division. Much the largest is that of the central Punjab, which stretches from the Jhelum in the north to the riverain districts of the Sutlej in the south. The richest is the tract immediately to the west of this area, containing the great canal colonies, the best known of which, Lyallpur, represents the high-water mark of agricultural prosperity in India. Still further west, in the valley of the Indus and in marked contrast to the colonies, are the three poorest districts in the Punjab. These with Multan form the third circle, and help to divide the province from the Frontier and Sind. The fourth circle is made up of the three districts north of the Jhelum, all famous for their soldiers and the vigour of their people; and in the extreme south is the fifth, embracing the arid tract of Hissar and the three districts that border upon Delhi. The sixth and last includes the four submontane districts of Sialkot, Gurdaspur, Hoshiarpur and Ambala, which lie between the central Punjab and the Himalayas. It is this tract which forms the subject of the present chapter.

*The Submon-
tane Tract*

I take the submontane area first, because it is one of the most indebted in the province, and there more than anywhere else the peasant proprietor has been able to develop on the most natural lines. Elsewhere his development has either been checked by great insecurity of harvest or artificially stimulated by the rapid spread of canal and rail. In this area both canal and rail are comparatively unimportant, and the cultivator is mainly dependent upon nature, which has been unusually bountiful. A rainfall of 30 to 40 inches makes famine almost unknown, and, as the land is fertile, rich crops of sugar-cane, cotton and wheat can be grown. The water level is high and wells can be sunk at small expense; the climate, too, is temperate, and fruit, notably the mango, can be grown with ease. The tract in its richness recalls the plain of Lombardy, and, as in Lombardy the Alps are always in sight, so are the Himalayas here, and nothing could be more beautiful than the long line of their glittering crests seen

across a sea of wheat. But there are disabilities as well as blessings. No less than five rivers run through the tract, or seven, indeed, if we include the Ghaggar and the Ujh. Much of it, therefore, is riverain country, which invariably means waterlogging, disease and debt. Owing to the moisture produced by river and rain, neither man nor beast is as vigorous and healthy as in the central Punjab: the former is a little slack-twisted, and the latter easily succumbs to disease. Owing, too, to the fertility of the soil, the population is unusually dense and holdings are correspondingly small. Good agriculture is at a discount, because these holdings tend to be split up into innumerable fields scattered round the village, and the predominant tribe is the Rajput, who is notorious for bad husbandry and extravagance. Finally, the very prosperity and security of the tract—Ambala and Hoshiarpur have been longer under British rule than most of the province—have made it the happy hunting-ground of the money-lender, who turns as surely to wealth as the fly to honey. The combined effect of all these factors is almost universal debt. In three of the four districts only seven per cent. (or less) are not affected, and of this area it might almost be said, in the words of the great French philosopher, that ‘man was born free, but is everywhere in chains’.

How indebted the tract is will be seen from the following figures, which give in brief the results of my enquiry.

DISTRICT	No. of proprietors	Percentage free of debt	Average debt per indebted proprietor	Debt's multiple of land revenue
			Rs.	
Sialkot ..	2,525	5	491	17
Gurdaspur	6,486	7	431	18
Ambala	2,237	5	478	27
Hoshiarpur	3,018	30	676	20
AVERAGE		11	490	19

Over 14,000 cases were examined, and of these 89 per cent. were found to be in debt, with an average of nearly Rs. 500 each. Total debt is 19 times the land revenue of all

concerned, and for Ambala the multiple is as high as 27. Later on we shall see that these figures, no doubt because they represent only co-operators, probably understate the facts, so far as the tract as a whole is concerned. But they are sufficiently formidable as they stand and are considerably higher than the provincial figures given above (p. 4). There is not much to choose between the different districts, but in one respect Hoshiarpur has a marked advantage, for 30 per cent. are free of debt, which is as high a proportion as we shall find in any district outside the canal colonies. On the other hand, the enquiry showed that Dasuya, the richest of its four tehsils, is deeply involved with a land revenue multiple of 24.

The reasons for this contrast are illuminating and illustrate most of the features of the tract. Dasuya is largely formed of the rich silt deposited by the Beas
Hoshiarpur as it issues from the hills. It is singularly fertile, but hopelessly waterlogged. Six acres of crops are annually grown on every five acres of cultivation, but the waterlogging produces chronic malaria and a spleen rate that amongst children is higher than in almost any other locality in the province. The result is a dense population so lethargic in mind and body that labourers have to be imported every year to cut the harvest. The Rajput is more than ordinarily extravagant and lazy, and even the Jat, so sturdy elsewhere, is half demoralized by his environment. The money-lender alone thrives. For him conditions are perfect: the people are too happy-go-lucky to resist his wiles and sufficiently prosperous to repay his loans. In the last ten years co-operation has done something to weaken his power, but money-lending is still the most paying occupation in the tract. The neighbouring tehsils of Hoshiarpur and Gharshankar are radically different. There are no rice swamps to generate malaria, water is at a reasonable level, and the people are healthy. The effect of this is seen in the Jat, who is here as vigorous and enterprising as in any part of the Punjab. He is always ready to enlist in the army or to seek his fortune abroad. Many were amongst the first to go to the canal colonies when

circumstances were peculiarly trying, and many have migrated to Africa, Australia and America, where large fortunes are frequently made. Thus, a considerable number have a second string to their bow, and that is why 30 per cent. are not in debt.¹

Broadly it may be said that, without this second string to his bow, the Punjab peasant proprietor must always be in debt. The truth of this will be clearer when *Small Holdings* we realize the nature and size of the average holding in the tract. As we have seen, nature is bountiful but man is prolific. In India every advantage of nature is sooner or later neutralised by an increase of population. It may almost be said that the fertility of the land is a measure of the fertility of woman. The pregnant truth, discovered by Malthus, that the happiness of countries depends 'on the proportion which the population and the food bear to each other' has never been grasped.² Throughout this area the yield *per acre* is high, but the yield *per man* is low. In the Hoshiarpur tehsil there are 960 people to every square mile of cultivation. In the low-lying riverain country of the Ravi, where little effort is needed to secure a harvest, the density is over 1,000. In no tehsil is the average cultivated holding more than eight acres, and in every tehsil of Hoshiarpur it is no more than four or five. Now, as Professor Carver points out, small holdings invariably mean small incomes;³ and in a backward country, where expenditure is less determined by income than dictated by custom and necessity, small incomes sooner or later mean debt. Only one thing can prevent this—lack of credit. But in the Punjab, owing to the great rise in the value of land, every owner enjoys two or three times as much credit as he did thirty years ago. In parts of Hoshiarpur and Ambala, land is four or five times as valuable as it

¹ For conditions in Dasuya see the *Report on the Drainage of the Dasuya Tehsil*, 1919, and also Lt.-Colonel C. A. Gill's *Note on Malaria in Dasuya Tehsil*. Efforts are now being made to improve the drainage of the tehsil.

² *An Essay on the Principle of Population*, Book ii, Chapter xiii.

³ *Principles of Rural Economics*, p. 253.

was in the eighties. There is, therefore, no lack of security, and the money-lender sees to it that there is no lack of money.

Yet, it may be asked, if nature is bountiful, why should a man borrow? The answer is that, with all her bounty, nature is infinitely capricious. The monsoon may fail, or, what is more likely near the hills, the rain may come at the wrong time; or a river may rise and sweep away harvest, hamlet and herd. Under such circumstances, to support a family upon a few acres without getting into debt requires a level of skill, industry and thrift seldom attained in a hot country. Undoubtedly it can be done, just as a small sailing boat can weather the storms of the Atlantic; but, unless the boat is both well found and well manned, it will assuredly sink. In India the farm is too often neither the one nor the other, and nature can be almost as destructive on land as at sea. It is usually reckoned that a cycle of five years will give one good year, one bad, and three that are neither good nor bad. It is only in the good year that the ordinary small holder pays his way without a loan. In the bad he will have to borrow for nearly everything he wants, for seed, cattle and clothes, and even for much of his food. It is then that compound interest swells the account and that the modest amount originally borrowed assumes unmanageable proportions. Even in the three middling years he will have to borrow now and again, perhaps to buy a bullock or marry a child. In these years, if he is careful, he may be able to pay the interest due on what he has borrowed before, but it is only in a good year that he can actually reduce his debt. Once in debt, therefore, it is almost impossible to escape. If he were thrifty and business-like he might succeed, but he is rarely either the one or the other, and the money-lender is always there to tempt him deeper into the mire. 'Holdings are so small,' says a settlement officer, speaking of a tehsil in the north where the average is only four acres, 'and the margin of safety so narrow, that any misfortune may plunge the zemindar¹ into debt from which he can never extricate himself. A series of bad years, the death of cattle, or mere

¹ *Zemindar* in the Punjab means anyone who owns land.

carelessness, may lead to debt, while in the best years the surplus produce is so small that the interest is paid with difficulty and from the principal there is no escape. . . . Indeed, life is hard and bitter to the cultivator who has to depend on his few acres to support himself and his family.¹ Writing of India generally Mr. K. L. Datta comes to the same conclusion. 'Living as he (the small holder) does near the margin of subsistence, his production is just sufficient to meet his wants when the season is favourable, while in bad years he has no alternative but to fall into the clutches of the money-lender.'²

Let us now take two concrete cases, namely, the two Hoshiarpur villages of Kabirpur and Bairampur, the one surveyed by Dr. Lucas and the other by Mr. *Two Examples* Bhalla. Kabirpur is below the average and Bairampur above it. The owners in the one are a thriftless lot of Sheikhs and in the other a hardworking set of Hindu Jats. In Bairampur two-thirds of the land is partially irrigated by the periodic rise of the subsoil water, but in Kabirpur there is hardly any irrigation at all. On the other hand, Kabirpur holdings average $9\frac{1}{2}$ acres against less than five in Bairampur. In Kabirpur seven of the ten families of Sheikhs were found to be in debt and unable to make their budgets balance. 'This,' says Dr. Lucas, 'is the state of affairs during normal years, when not a *pice* is paid back to the money-lender on account of money borrowed or its interest.' In his view a small farmer can only pull through if he is not in debt.³ Despite its greater prosperity the experience of Bairampur is not very different, for the advantages of character and nature are largely neutralized by a larger population, which is a good example of what was said above. The family budgets show that a Jat with 14 acres cannot support a family of five (including himself) without getting into debt; and that, while in an ordinary year a Gujar with $6\frac{1}{2}$ acres and a family

¹ *Gujar Khan A.R.*, 1904, pp. 34 and 36.

² *Enquiry into the Rise of Prices in India* (1915), i, 161.

³ Lucas, *op. cit.*, pp. 64, 103, 109, and 111.

of four can just make both ends meet, in a bad year he cannot get on without a loan. As 55 per cent. of the owners in Bairampur possess less than three acres, and 23 per cent. cultivate less than six, it is clear that holdings as small as those that prevail in this area are incompatible with freedom from debt.¹ As long ago as 1879, a deputy commissioner of Hoshiarpur remarked that the ordinary proprietor with 10 or 15 acres was usually in debt, as his holding was barely sufficient to support a family.²

What is true of Hoshiarpur is characteristic of the whole tract. Everywhere population tends to increase to the margin of subsistence. In the Daska tehsil of Sialkot, *ayaldari*, or having too many mouths to feed, is stated to be one of the chief causes of debt.³ In Zafarwal (Sialkot) holdings are at once smaller and more heavily mortgaged than in any other tehsil of the district;⁴ and in the neighbouring tehsil of Daska much the same conditions prevail. Mr. Thorburn, as already noted, found that the hopelessly involved were mostly amongst the smallest holders, and it was shown in the last chapter that in the Punjab the small proprietor is nearly three times as heavily indebted as the large (p. 12). It is not that the small owner runs up a bigger debt—the precise contrary is the case—but that debt presses more heavily upon the small farm than upon the large. The small holder is faced with two alternatives. Either a supplementary source of income must be found, or he must be content with the low standard of living that bondage to the money-lender entails. The bolder spirits join the army, and in Hoshiarpur, as in Italy, the more enterprising emigrate. Others set up as carters, or, like the Irish reapers who flock to Scotland for the harvest, go off to the canal colonies once or twice a year to pick cotton or cut the wheat. Most, however, with the fatalism of the East, resign themselves to the money-lender as the line of least resistance, and this is done the more cheerfully as it means a life of comparative ease. Dr.

¹ Bhalla, op. cit., pp. 26, 28, 167-72.

² *Daska A.R.*, 1913, p. 17.

³ *Hoshiarpur Gaz.*, 1884, p. 72.

⁴ *Zafarwal A.R.*, 1915, p. 12.

Lucas reckons that a three or four acre farm leaves a man with 200 idle days in the year, and he regards this enforced idleness as a great cause of the peasant proprietor's poverty.¹ Yet, if the latter seeks work elsewhere, as often as not it will be at the expense of his land. Either he will mortgage it—and land is rarely the better for being mortgaged—or he will try and combine two occupations, in which case, as a recent writer says, his cultivation will be poor and his outturn low.² From every point of view, then, holdings as small as those described are a manifest evil.³

Small holdings are the result of large population and of laws of inheritance which prescribe that each son shall get an equal share of his father's land. That is *Fragmentation* bad enough, but what are we to say of a custom which requires that the few acres each son receives should be split up into as many fragments as there are different soils in the village, so that all may get an equal share of every kind of land—good, bad and indifferent? Yet this custom is wellnigh universal. In Bairampur the village lands were found to be divided into 1,598 fields, averaging about one-fifth of an acre each. Twenty-eight per cent. of the holdings had over 30 fields, and in three cases plots were so small—the smallest was only .014 of an acre—that they had been lost sight of by their owners and had passed into the hands of others.⁴ Even the wells are sub-divided, and a man's share may be as minute as the odd fraction that governs exchange. The more fertile the land the more it is split up, as fertility and population go together. Accordingly, the greater the population the greater the evil, and nowhere is it worse than in the more thickly-populated parts of this area and the central Punjab.

¹ Op. cit., p. 58.

² Keatinge, *Agricultural Progress in Western India*, p. 60.

³ Of one of the villages in the Deccan he surveyed, Dr. H. H. Mann writes (op. cit., p. 152): 'The conditions of increasing population and increasing sub-division of land were met in the first instance by the incurring of debts.'

⁴ Op. cit., pp. 33-34.

The evil is by no means confined to the Punjab. In greater or less degree it is found all over India, and in the Bombay Presidency there is said to be hardly a holding that conforms in size and shape to economic requirements.¹ If things are better in Europe, it is not because the evil does not exist, but because to a large extent it has been remedied. A hundred years ago sub-division was as common in France and Germany as it is in India to-day, and many found it difficult in consequence to live on their holdings. Even now in France the evil is only kept in check by a conscious limitation of the population,² and in parts of Spain it would appear to be as bad as in Hoshiarpur. In one district it is not uncommon to own and farm 16 or 17 acres divided into 80 to 120 plots scattered over a radius of three miles: and in another (Vigo) there are now 'many isolated parcels of 35, 25 or even 12 square yards'.³ The problem, therefore, is not peculiar to the Punjab, and everywhere the consequences are much the same. Land is wasted in innumerable boundaries, labour and time are lost in going from plot to plot, valuable crops cannot be properly supervised, disputes are frequent and enterprise is paralysed. In short, all the evils of small holdings are aggravated a hundredfold, and, worst of all, agricultural progress is impossible.

The smallness of the average holding and its minute sub-division constitute one of the basic causes of debt, not only in this area but in most of the Punjab, and so important are they that we shall have frequent occasion to refer to them again. We come now to another cause of debt which is only less important than the former and closely connected with it, namely constantly recurring losses of cattle from drought and disease. Indispensable everywhere, cattle in the East have an almost religious significance. It is not for nothing that in the Bible

*Cattle
Mortality*

¹ Keatinge, op. cit., p. 69; see also pp. 70-71, 195-223; and Mann, op. cit., pp. 47-54.

² See J. H. Clapham, *Economic Development of France and Germany*, 1815-1914, 1921, p. 160.

³ H. D. Irvine, *The Making of Rural Europe*, 1923, p. 119-20.

the rainbow was represented as a token not only between God and man, but also between Him and every living beast, and that many hundred years later the ancient but immoral city of Nineveh was finally spared from destruction because, *inter alia*, it contained 'much cattle'. For any one who has not lived in a primitive country it is difficult to realize how much a peasant's life may depend upon his cattle. Without them his fields remain unploughed, store and bin stand empty, and food and drink lose half their savour; for in a vegetarian country what can be worse than to have no milk, butter nor ghi? Indeed, it is difficult to have anything at all, as all cooking is done with cakes of manure. The very *huqqa*, beloved of the rustic, can hardly be smoked without the cow-dung fire that is almost universally used.

It is not surprising then that India probably contains more cattle to the square mile than any other large country in the world.¹ Yet in a bad year drought and disease will make holocausts of thousands. In the great famine of 1869 four districts in the south-east of the province lost over 40 per cent. of their stock, or a total of over 600,000 head.² Two Rajput brothers, says the official report, lost eight bullocks, ten milch buffalos, and forty cows and calves. Everything died, and they themselves, deprived of their only means of livelihood, were forced to sell whatever else they had to keep body and soul together.³ As recently as 1921, Sirsa (Hissar) lost 40 per cent. of its stock, and in the same year cattle in Jhelum were sold for a few rupees a head.⁴ These, however, are famine conditions, and thanks to a good rainfall serious famine has hardly to be reckoned with in the districts near the hills. The enemy is disease and it is almost as bad. The high subsoil water-level of the riverain areas, combined with a heavy rainfall, is as unhealthy for cattle as

¹ In 1920 India had 101·5 bovine cattle, horses, mules, donkeys and camels to the square mile, against only 31·2 in the United States (excluding Alaska)—see article in the *Pioneer*, dated the 24th June, 1922.

² *Punjab Famine Report*, i, 12.

³ *Ibid.*, iv, 73.

⁴ In 1918, the Bombay Presidency lost one million cattle, or one-ninth of its whole stock (Keatinge, *op. cit.*, p. 113).

it is for men. In 1877 an epidemic carried off two-thirds of the cattle of the Ambala district, and not long ago the writer came across a group of villages near the Beas, where in two years 233 co-operators had lost 1,361 head of cattle, or about half their total stock. Losses on this scale cripple a man for years, for they have a way of occurring when harvests are bad and resources low. To replace them, in nine cases out of ten, the peasant has to borrow. Mr. Thorburn and Major Jack were, therefore, undoubtedly right in regarding loss of cattle as a major cause of debt, a view that is amply corroborated by the experience of co-operative credit societies, which in the last five years have advanced 22 per cent. of their funds for the purchase of cattle.¹

It must not, however, be supposed that cattle disease on a large scale is the peculiar misfortune of India any more than the sub-division of holdings. The fact that in the last three years foot and mouth disease has twice cost England about £1,000,000 is emphatic evidence to the contrary. Recently in Germany I met a landowner who had lost 23 cattle in two months, but—and the point is important—they were all insured. This, rather than the evil itself, is the main difference between East and West. In the West everything—crops, cattle and buildings—can be insured, and in the more advanced countries usually is, but in the East insurance is rare. Almost everything is left to fate—or magic, as the following episode shows. Recently an epidemic broke out in the neighbourhood of Bairampur, the Hoshiarpur village that has already been mentioned. The veterinary surgeon came out to help; but the villagers to a man flocked to a quack *faqir*, whose ‘charms’ made cattle ‘invulnerable’ against disease, and they were all so well agreed about it that the *faqir* was paid out of the village funds.² In Rohtak the favourite remedy for cattle disease is a rope strung across the entrance to the village, with little tin boxes suspended on it, containing charms dictated by a *faqir* at a rupee

¹ *Punjab Co-operative Societies Report*, 1923, p. 22.

² Bhalla, op. cit., p. 134.

apiece. All the cattle of the village are driven out under it, and water is sprinkled on the houses on either side with a switch of grass. A magic circle of milk and water is then drawn round the village, and a pot containing rice or sugar is secretly buried in the land of an adjoining village, presumably in the hope that the disease may pass off that way.¹

Superstitions like these show how primitive agriculture still is in the Punjab, and they help to explain why the cultivator is often like wax in the hands of the much less ignorant village money-lender. As the latter forms the subject of a separate chapter, little need be said about him at present, but it is well to remember, as we pass from tract to tract, that he is the evil genius in the background, aggravating and manipulating every factor to the cultivator's hurt and to his own advantage. Formerly the ally, if not the servant of the village community, he threatened at one time to become its master. The security of British rule and a legal system in which the spoils are ever to the astute gave him an opportunity which he was quick to seize; and in the sub-montane tract the richness of the soil, the regularity of the harvests, and the want of vigour in the people provided him with an almost ideal field for his demoralizing activities. It was, too, one of the earliest fields to attract his attention. Before the days of the canal, the districts with an abundant rainfall were the most inviting: a dense population made business easy, good crops made it remunerative, and the comparatively high value of land made it safe. At a time when land was selling in Sirsa for six annas an acre, in Hoshiarpur it was fetching nearly thirty rupees, an amount which was high enough to admit of mortgage. As early as 1874 it was noticed that the largest number of mortgages were taking place in three out of our four districts—Hoshiarpur, Sialkot and Ambala—and it is significant that Sialkot is still the most heavily mortgaged district in the province and that Gurdaspur is not far behind.

¹ *Rohtak Gaz.*, 1910, p. 116.

The money-lender would have been in a much less dominating position in this tract but for the character of the people. In one of his novels Tolstoy speaks of the character of the cultivator as being like climate and the soil, one of the unalterable factors of the agricultural question.¹ The truth of this is abundantly illustrated by the condition of the Rajput, who is the most important tribe in the tract and one of the most important in the province. Thickly spread along the foot of the hills, he is everywhere in debt and generally deeply involved, as the following figures show :—

Tehsil	No. of proprietors	Debt's multiple of land revenue
Shakargarh (Gurdaspur)	1,121	23
Hoshiarpur	665	20
Dasuya (Hoshiarpur)	336	30
Ambala	577	30
Naraingarh (Ambala)	663	27

In no case is debt less than 20 times the land revenue, and in Dasuya and Ambala the multiple is 30; and it may be added that in every case but one average debt is over Rs. 500 and in Hoshiarpur touches Rs. 760. In varying degree these figures are characteristic of the Rajput all over the Punjab, for wherever he is found he appears to be more heavily in debt than his neighbours. The seriousness of this may be judged by the fact that he numbers nearly two millions.

The Rajput, as the name implies,² is the aristocrat of the countryside, and that is his undoing. Proud of his birth and traditions, more accustomed to fight than to till, loving the bravura of life and scorning its drudgery, he is by common consent the worst cultivator in the Punjab. As an agriculturist no one but a grazier or a cattle-thief could be worse. If he is a pure Rajput, he is forbidden to touch the

¹ See *Anna Karenina*, i, 171 (tr. Constance Garnett).

² *Rajput* means literally 'son of a raja'.

plough ;¹ and even if he is not bound by this rule, where the Jat ploughs deep he will only scratch the surface of the soil. His hedging and weeding are equally superficial, and, as a settlement officer remarks, the general untidiness of his fields, the absence of the richer crops, and the numerous pathways which a short detour would save, proclaim the Rajput village before the owners appear.² To make matters worse, the Rajput's regard for his *izzat* (social position) forbids him to take any help from his wife. In Indian, village life *pardah* is the hall-mark of the 'lady', and in *pardah*, therefore, the Rajput's wife remains. She can do nothing outside the house, and very little within. She cannot even draw water from the well, and, being a 'lady', must have servants to help her in all domestic tasks. The wife of the Jat or the Arain does almost as much as her husband, and sometimes more, but the wife of the Rajput is an economic burden. A small point illustrates the difference. The Jat and the Arain go off to their fields at dawn and at ten o'clock their wives bring them their breakfast. The Rajput, on the other hand, must either employ a servant for the purpose, or stay at home till breakfast is finished. If he chooses the latter, having nothing to do, he sits in the village rest-house smoking and talking, and when at last he struggles out at ten or eleven he is 'half stupefied' and unable to do a good day's work.³ This is the case in Ambala, and much the same is true elsewhere. 'He cultivates, *huqqa* in hand,' is a saying of the Lahore district; and of the Rajput in the south a settlement officer remarks that 'the Rajput hive is a peculiar organisation, consisting of a few workers, a large number of drones and females, with occasionally a superabundance of queens'.⁴

¹ A pure Rajput, 'to preserve his name and honour unsullied, must scrupulously observe four fundamental maxims: He must never drive the plough; he must never give his daughter in marriage to an inferior, not marry himself much below his rank; he must never accept money in exchange for the betrothal of his daughter; and his female household must observe strict seclusion' (*Kangra Gazetteer*, p. 710).

² *Samrala A.R.*, p. 15.

³ *Ambala Gaz.* ⁴ *Rohtak A.R.*, 1909.

Many Rajputs almost pride themselves on their inefficiency as cultivators, claiming that their real business is fighting and sport. This love of soldiering is their best trait and is what, in spite of everything else, entitles them to respect and even fame. In Hoshiarpur, to take but a single example, 50 per cent. of the Hindu Rajputs of military age enlisted during the War. Another pleasant trait is a generous love of hospitality, but usually this only adds to their embarrassment, as it means large houses full of servants and parasite relations, and the most prodigal expenditure on marriages. In the next chapter we shall see what a heavy financial burden marriage imposes upon the zemindar. With the possible exception of the Sikh Jat, there is no one who spends more in this way than the Hindu Rajput, for *izzat* demands that the whole neighbourhood shall be royally entertained and that dancing girls and fireworks shall be part of the entertainment. Owing, too, to the obligations of caste, many consider themselves debarred from giving their daughters in marriage to anyone but a social superior. Often, therefore, a son-in-law can only be obtained at a price, and, in a country in which girls are scarce, the same is apt to apply to the father-in-law as well. Many remain unmarried in consequence, and squander their substance in riotous living, while of those who marry a good number have to mortgage part of their land for the purpose. All roads, therefore, lead a Rajput into debt, and, though he is jealous of his honour, he is rarely jealous enough to be punctual in the repayment of his debts. On the contrary, the man who outwits his creditors is apt to be admired by his neighbours.

It must not be supposed that this description applies to all Rajputs. It applies, for instance, only partially to the hill district of Kangra, which is the stronghold of the Rajput in the Punjab, and still less to those who have forsaken farming for service. It applies, however, to most of those who cultivate in the plains, and it shows that, if a great effort is not made, the Rajputs must ultimately lose their premier position, even as they are already beginning to lose

their land, which the more industrious tribes are slowly acquiring. But it is only fair to add that in the central Punjab, under the bracing influence of the Jat, there are definite signs of improvement.

No tribe is in stronger contrast to the Rajput than the Jat. If the former represents the gentry of the province, the latter is the very marrow and soul of the peasantry. Numbering over five millions, he has spread north, south, east and west, and there is no part of the Punjab where he cannot be found. He is seen at his best in the central districts of Ludhiana, Jullundur, and Amritsar, but he is nearly as good in the southern district of Rohtak. He may be either Hindu, Muhammadan or Sikh; and to some extent his characteristics vary accordingly. The Sikh is more adventurous if more commercial, the Muhammadan more patient if less industrious, and the Hindu more frugal and stubborn; while the Sikh will not smoke but loves the bottle, the Muhammadan will not drink but loves the *huqqa*. All three, however, have a tenacity of character and a skill in farming which make them the best cultivators in India. As a settlement officer says, 'unremitting in toil, thrifty to the verge of parsimony, self-reliant in adversity, and enterprising in prosperity, the Jat . . . is the ideal cultivator and revenue-payer'.¹ Ploughing, weeding or reaping, he will bear the burden and the heat of the day, and at night take his turn at the well. Of the same fibre are the women, and if the Rajput wife is an economic burden, the *Jatni* is an economic treasure. 'A Jat wife for me—all the rest are a mere waste of money,' says the Multani proverb.² 'She does not plough, dig or drive a cart, but there is no other form of agricultural labour which she does not practice and ordinarily adorn.'³

Assisted by his wife, the Jat will generally do better on a small holding than the Rajput on a large. On comparing the Jat village of Bairampur with a Rajput village in the neighbourhood, Mr. Bhalla found that, though the Rajputs were unusually intelligent

*Rajput and Jat
Contrasted*

¹ *Samrala A.R.*, 1910, p. 15. ² *Ran Jatti te hor sab chatti.*

³ *Rohtak A.R.*, 1909, p. 12.

and progressive, they could not compare with the Jats. Their cattle were generally inferior; and even when as good, their ploughing was shallower; and where the Jat depended upon himself and his family, the Rajput got most of his field work done by Chamars. Outside the house he got no help from his wife, while the Jat's wife not only brought her husband his food in the fields, but helped him to sow and to weed, to pick the cotton and feed the cattle. Inside the house, too, she did a score of things left to servants by the wife of the Rajput. Finally, the Jat spent less upon luxuries and made more of his opportunities, keeping a sharp eye upon the market for the sale of his produce, and in the slack season hiring out his cart for the hauling of bricks.¹ We are not surprised, therefore, when we read in the assessment report of this tehsil that, while the Jats are 'healthy, robust and cheerful', the Rajputs, 'in spite of enjoying the same climate, food and water, are quite the reverse'.¹ The same contrast is apparent throughout the tract, and is clearly reflected in the following figures:

DISTRICT	Rajputs	Debt's multiple of the land revenue	Jats	Debt's multiple of the land revenue
Gurdaspur ..	1,121	23	2,118	12
Hoshiarpur ..	1,001	23	673	18
Ambala ..	1,240	28	..	..
Sialkot ..	..	..	1,603	19

It will be seen that in none of the districts concerned is the Rajput's debt less than 23 times the land revenue, or the Jat's more than 19. The difference would be greater but for the demoralizing influence exercised by the Rajput upon his neighbours.

The Jats are not only less heavily indebted, but there are fewer of them in debt. In three out of our four districts only six per cent. of the proprietors would appear to be free of debt. For the Jat districts of Jullundur and Rohtak and the Jat portions

*The Jat's
Enterprise*

¹ Bhalla, op. cit. (Introduction).

of Hoshiarpur the corresponding percentage is at least 25. The explanation of this may be found in the fact already stated, that for the small holder to keep out of debt a supplementary source of income is almost essential. The Rajput has only service and soldiering to help him, but the more enterprising Jat has a number of strings to his bow. If he stays at home, he may start a kiln, deal in cattle, speculate in trade, or even set up as a money-lender. If he goes abroad, he may be found fattening cows in China, sawing wood in Canada, tinning fruit in California, or trading in Australia. During the War he enlisted so freely that Ludhiana and Rohtak stood higher in recruiting than almost any other district in India. Moreover, like the Italian emigrant, whatever his interests and wherever he goes, he never forgets the land, and sooner or later returns with his earnings to the village that bred him. In short, it may be said that in the whole of India there is no finer raw material than the Jat; and, though he may be addicted to violence and crime, as he is in the Manjha, or to dissipation and drink as in Ferozepore, or to gambling as in parts of Ludhiana, it would be difficult in any country to find a more remarkable combination of cultivator, colonist, emigrant and soldier. Educated and organized, and relieved of the handicaps imposed upon him by custom and debt, he might well become the foundation of a new rural civilization in the Punjab.

Before leaving the submontane area we may attempt some estimate of the total debt of the four submontane districts. This can be done by taking the mortgage debt of each district and adding to it a certain percentage on account of unsecured debt.¹ My enquiry shows that the *net* mortgage debt in this area is 40 per cent. of the whole.² Gross mortgage debt will be somewhat higher. To be on the safe side, let us assume that it is 60 per cent. In that case we obtain the following results :—

*Total Debt of
Submontane
Districts*

¹ The Director of Land Records has kindly supplied me with figures for the mortgage debt in each district.

² For explanation of the term 'net mortgage debt' see p. 6.

DISTRICT	Total debt ¹ (in lakhs)	Debt's multiple ² of land revenue
Sialkot	457	27
Hoshiarpur	433	23
Gurdaspur	375	20
Ambala	314	21

Of the four districts, Sialkot is at once the most fertile and the most deeply involved. Its mortgage debt is only exceeded by Ferozepore, and in area it is the most heavily mortgaged district in the province.³

*Fertility and
Debt*

It should, therefore, throw some light upon the causes of debt. Those given by the settlement officer, eight or nine years ago, are illuminating. They include all the causes discussed above. In one tehsil the smallness of the holdings is emphasized, with the consequent pressure of population upon the soil; in another the fecklessness of the people; in a third the constant loss of cattle; and of a fourth we read that 'a nest of *sahukars* in the heart of the circle provides a fatal facility for obtaining credit'. The root cause is probably over-population due to exceptional fertility. More densely populated than any other district but one, it has less cultivated area than nine districts; and the average holding varies (according to tehsil) from only $4\frac{1}{2}$ to 7 acres. We have seen above how difficult it is for the small holder to keep out of debt when entirely dependent upon his land. In the present case it might have been possible, as the district has been allotted nearly 200,000 acres in the canal colonies, the profits on which exceed 20 lakhs a year.⁴ But, unfortunately, the people have been undone by their blessings. The bounty of nature has made them careless, and the bounty of the money-lender, proffered without stint, has made them

¹ These figures are for proprietors and occupancy tenants only, as it is difficult to estimate the debt of tenants at will, farm servants, etc. Total agricultural debt will therefore be higher.

² Land revenue has been calculated on an average of three years, as above (p. 10).

³ In 1922, 25 per cent. of the total cultivated area was mortgaged against a provincial average of 10. ⁴ *Sialkot S.R.*, 1917.

extravagant. Nowhere is more spent upon marriages, and what this means we shall see in the next chapter.

In each of our four districts total debt exceeds £2 millions, and in Sialkot it is over £3 millions. These are formidable figures, but are they crushing? *The Burden of Debt* This most difficult question we must now endeavour to answer. Everything depends upon resources, and in this case the main resource is the land. What relation then does the debt bear to the land? The total debt of the four districts is 24 times the land revenue.¹ As land revenue represents roughly one-fifth of the net income of the land, we may assume that debt is equal to nearly five years of the latter. Or it may be expressed in terms of gross yield. The latter has been worked out for two of the four districts, thus:—

	Gross yield per cultivated acre ²			
Gurdaspur	Rs. 48
Hoshiarpur	Rs. 42
<i>Average</i>	Rs. 45

For debt the corresponding figures are:—

	Debt per cultivated acre ³			
Gurdaspur	Rs. 49
Hoshiarpur	Rs. 64
<i>Average</i>	Rs. 56 ⁴

¹ The figures for my enquiry give a multiple of 20.

² The Deputy Director of Agriculture, Gurdaspur, estimates the outturn of a *matured* acre in these two districts at about Rs. 150 for irrigated land and Rs. 60 for unirrigated. As the produce prices taken are abnormally high, e.g. wheat Rs. 5, sugar-cane Rs. 7, and senji Rs. 10 per maund, I have reduced his estimate by 25 per cent. As, too, the whole cultivated area does not mature, taking the harvest figures of the last five years, I have made a further reduction, with the result that I estimate produce value per acre thus:—

	Hoshiarpur		Gurdaspur	
Irrigated land	..	Rs. 111	..	Rs. 83
Unirrigated	..	Rs. 43	..	Rs. 36

As the percentage of land irrigated in each district is known (9 and 26 in Hoshiarpur and Gurdaspur respectively), the rest of the calculation was simple.

³ For cultivated area see *Land Administration Report*, 1920. Statement iii, col. 7 (excluding *shamilat*).

⁴ The corresponding figures for Sialkot and Ambala are Rs. 56 and Rs. 45. For the whole area the average is Rs. 53.

As these two districts are probably less heavily indebted than Sialkot and Ambala, it may be generally stated that debt in this area certainly exceeds the value of a year's produce.

Altogether it is difficult to resist the impression that debt in this tract is a heavy burden. The impression is strengthened if we compare the tract with the moderately prosperous district of Faridpur in Bengal. Twelve years ago total rural debt in the latter was found to be only one-fifth of total income, and not more than five per cent. of the cultivators were in debt beyond half their income. On the other hand, if we turn to Egypt, we find from an enquiry made in 1912 that, amongst owners of five acres or less, debt averaged Rs. 75 (₧5) an acre against Rs. 53 in these four districts for all classes of owners. There is one way of stating debt which reduces it to comparatively modest proportions, and that is to express it in terms of the value of land. In 1920 and 1921, land in our four districts sold at an average price of Rs. 289 an acre, whereas the corresponding figure for debt is only Rs. 53. For the debtor, however, this is a dangerous way of stating the case, as it obscures the fact that debt should be repaid out of income and not out of capital. As we have seen, measured in terms of income, debt is undoubtedly high; that, in relation to capital, it should be comparatively low is due to the enormous rise in the value of land that has taken place in the last twenty years.



CHAPTER III

THE CENTRAL PUNJAB

THE SMALL HOLDER AND THE BURDEN OF MARRIAGE

IN the last chapter our attention was fixed upon four districts lying at the foot of the Himalayas. We saw that, though the land was fertile and rainfall good, debt was as heavy as it was wide-spread; that in three out of the four districts seven per cent. (or less) were not involved, and that as a whole proprietors were in debt to the extent of a full year's income. We saw, too, that the main causes for this were, firstly, the pressure of population upon a soil split up into holdings too small to support life without the help of the money-lender or some supplementary source of income; secondly, the constantly recurring epidemics of cattle disease due to the unhealthy conditions produced by a heavy rainfall and many rivers; and thirdly, the slack-twisted character of a large section of the people, who have been infected with the laziness and extravagance of the Rajput, the predominant tribe. Finally, we found the money-lender strongly entrenched and dominating the tract.

Summary of last Chapter

WE now enter the heart of the Punjab, the tract running from the Jhelum in the north to a little beyond the Sutlej in the south. Embracing seven districts with a population of six millions, it contains all that is most characteristic of the province.¹ It is the cradle of the Sikh, and one hundred years ago was the mainstay of Ranjit Singh and his power. The country is as flat as the plain of Lombardy, but far less attractive. Along the eastern fringe on a clear day the Himalayas can still be seen, with their snowy summits towering over the endless plain, but elsewhere there is nothing to break the monotony

Description of the Tract

¹ The seven districts are: Gujrat, Gujranwala, Lahore, Amritsar, Jullundur, Ludhiana and Ferozepore. For map see p. 23.



A TYPICAL VILLAGE SCENE

of the empty horizon. There are plenty of compact little villages, but with their mud-walled, flat-roofed houses they are hardly more conspicuous than a child's sand-castles along the seashore, except where the minarets of a mosque or the red brick house of a money-lender rises above the trees. Trees there are in plenty, sometimes clustering round a village or in a long thick line shading some dusty road or cool canal, but for the most part they are isolated and scattered, and rarely grow sociably together in wood and grove. We miss the amenities of the country at the foot of the hills, the gentle rise and fall of the earth, the dark, mysterious recesses of the mango grove and the sparkle of the occasional burn. For this the meagre rainfall is mainly responsible, as it is nowhere more than 30 inches and drops to only 11 or 12 in the west. For a people clad almost entirely in cotton the cold in winter is intense, and in summer the heat is the heat of the Punjab, which once experienced is never forgotten. There is, therefore, little to tempt a vigorous people to leisure and ease, and for generations salvation as well as subsistence has been instinctively sought in toil. The result is the sturdiest peasantry in India. 'The Manjha villages,' wrote the Commissioner of Lahore in 1856, 'contain some of the finest specimens of man I have ever seen,' a remark which is as true to-day as it was then.¹ In these villages men of six feet are nothing accounted of. The dry climate, combined with the extremes of heat and cold, has bred a race that for appearance at least may challenge comparison with any in the world. There are many different tribes, but the finest of them all is the Jat, who is here seen at his best.

Except in Lahore and Ferozepore holdings are small, but canal and well irrigation are widely developed, and to a large extent mitigate the effect of a capricious rainfall and a dense population. Good markets abound—we have only to mention Lahore and Amritsar—and, thanks to an elaborate network of railways, communications are almost upon a

¹ *Amritsar Revised Settlement Report*, 1856.

Western scale. Outside the canal colonies there is no part of the province where land is more eagerly sought or fetches a higher price. It is surprising, therefore, to find, as the following figures show, that in spite of all these advantages debt is 16 times the land revenue and that over 80 per cent. of the owners are in debt.

District	No. of proprietors concerned	Percentage free of debt	Average debt per indebted proprietor	Debt's multiple, of land revenue
Whole Tract ..	13,028	19	Rs. 454	16
<i>Certain Districts:</i> ¹				
Jullundur ..	6,269	27	413	14
Ferozepore ..	1,941	9	655	19
Lahore ..	1,399	9	624	22
Gujrat ..	1,637	16	354	12

The figures are dominated by Jullundur and its 6,269 cases. This district will therefore be considered first. A little larger than Essex, it is cultivated from end to end and is rightly called the garden of the Punjab. It contains as intelligent, industrious and enterprising a set of proprietors as can be found in any part of the province. Of these the Jat and the Arain are chief. The former has already been described (p. 38) and something will be said about the latter in a moment. Land is fertile and fetches Rs. 500 an acre,² and well irrigation is as universal as nature and the fragmentation of the land permit. Serious outbreaks of cattle disease are rare, famine is unknown and co-operation well established. Local resources, too, are amply supplemented by the energy and enterprise of those who have joined the army, migrated to the canal colonies or gone abroad. Before the War 25 to 30 lakhs a year flowed into the district from these sources, an amount more than sufficient to pay the whole land revenue (18 lakhs). It is

¹ Three districts are omitted, as less than a thousand cases were examined in each.

² In 1917 land in the district sold at prices ranging from Rs. 405 to Rs. 597 per acre (*S.R.*, 1917, p. 23).

therefore, totally unexpected to find an average debt of Rs. 413 and a land revenue multiple of 14. The latter, too, would be considerably higher if those free of debt were excluded.

The district in many ways resembles Hoshiarpur, which adjoins it and which has already been described. Population

Its Causes is as dense, in one circle touching 947 to the cultivated square mile, and holdings are even smaller, the tehsil average ranging from three to five acres. Fragmentation is if possible worse, and exceeds all belief. In one village 12,800 acres are splintered into 63,000 fields; in another 584 owners cultivate 16,000 fields whose mean size is only one-seventh of an acre,¹ and in a third (Druli Kalan) there are 424 fields of one *marla*, that is to say, of less than .006 of an acre.² These factors, as we saw in the last chapter, are quite enough to account for debt. How, indeed, can a man keep out of it with his three or four acres split up into 50, or it may be 100 strips, and these as scattered as autumn leaves? Intelligent and industrious as the bulk of the peasantry are, to most the money-lender is a necessity, and he has been only too ready to lend, as few districts offer better security or contain more ready money. In the 30 years between the last two settlements³ land increased five times in value, and in one tehsil (Nawashahr) as much as eight times. Money, too, has poured in from the canal colonies, America and the Far East, and, being abundant, has been available at 6 to 12 per cent., which are low rates for the Indian village. There is no greater danger to the uneducated farmer than cheap credit or the power to borrow at a low rate of interest, a fact that many have learnt to their cost. With borrowing made easy every want can be satisfied, and with the rise in the standard of living, wants have multiplied considerably. These the large holder has been able to satisfy from the higher price obtained for his produce, but the man with only a few acres consumes nearly all he grows, and has but little to spare for the market. His

¹ See *Agricultural Journal of India*, vol. xvii, part 1.

² 210 *marlas* form one acre. ³ Roughly 1885 to 1915.

48 THE PUNJAB PEASANT IN PROSPERITY AND DEBT

income, therefore, has not kept pace with his wants. He has, however, his land, and upon its ever-rising value can borrow all the cash he needs. The temptation is irresistible, with the result that the higher standard of living is apt to be based less upon production than upon the pledging of capital, a position that is obviously unsound.

If, however, the main cause of debt in this district is the size of the holdings, some part of it may fairly be put down to productive expenditure. It is a commonplace of Indian economics that debt in this country is mainly raised to meet the necessities of rural life and social obligation, and only in the smallest measure for agricultural improvement. To this rule Jullundur is a partial exception, for between the last two settlements the number of wells, already large, increased by 42 per cent.¹ Recently in five years (1917-21) over 2,000 have been built, at an average cost of at least Rs. 500 each. This can hardly have been done entirely without the help of the money-lender, and the fact that money was cheap has probably led many to borrow for the purpose.

A remarkable feature of the district is that as many as 27 per cent. are free of debt, which is another link with *How the Small* Hoshiarpur, where 30 per cent. are free. In *Holder can keep* both districts the explanation is probably the *out of Debt* same. For the small holder there are only three ways of keeping out of debt. Either he must be as frugal and industrious as the French peasant and work from sunrise to sunset; or he must grow what is called an 'industrial crop', such as tobacco, potatoes or vegetables; or, thirdly, he must have some other source of income. Broadly this is the experience of the small holder all over the world, and it will be found to be one of the main conclusions of this enquiry. Now there is no harder worker or better market-gardener than the Arain, who is to be found throughout Jullundur, and there is no more enterprising peasant than the Jat, who is the backbone of both districts. He was amongst the first to break up the rich virgin lands of the canal colonies and has always been

¹ i.e. from 20,412 to 29,024.

ready to seek his fortune abroad. When the War broke out he was to be found literally from China to Peru—in many cases making more money than he ever dreamt of in his village. We read of seven Jats who returned from Australia with £4,000 in their pockets, the fruit of only seven years' work, mainly as agricultural labourers;¹ and all over the district, rising above the mud plaster dwellings of the ordinary villager, are to be seen the *pukka* red brick houses of those who have made money abroad.

But to make both ends meet it is not always necessary for the small holder to grow vegetables or to go abroad. It can also be done by labour, though in that case the labour must be hard and unremitting. A Lincolnshire peasant proprietor, explaining to a Royal Commission how he kept afloat, said: 'In the summer I work from 4 a.m. to 8 p.m., and often do not take more than an hour off for meals'.² We have his exact counterpart in a Mahton of the Nawashahr tehsil, now 70 years old, who, with little more than 4 acres of irrigated land and only a cow and a yoke of bullocks, brought up a family of five sons and two daughters without ever getting into debt, and married all but one son into the bargain, one wedding more-over costing him over Rs. 1,400. The case is characteristic of the tribe to which he belongs. Eating barley in order that they may sell their wheat, grinding up the seeds of their melons to mix with their flour and giving the rind to the cattle that nothing may be wasted, the Mahtons of Hoshiarpur and Jullundur are a remarkable example of what can be achieved even upon the smallest holdings by industry and thrift. There is a popular saying that if a Mahton turns *faqir* Rs. 100 will be found in his loin cloth, and the underlying truth of the remark is seen in the *pukka* houses and schools that fill their 20 villages. It would, in fact, be difficult to find a better instance of the influence of character upon cultivation and debt, for all round are Rajputs who are heavily involved and the Mahtons are themselves of Rajput origin.

For sheer ant-like industry there is no one in the Punjab

¹ *Nawashahr A.R.*, 1906.

² Curtler, *A Short History of English Agriculture*, p. 308.

to touch the Arain. He has already been mentioned and now he must be described, as he is numerically important, numbering over a million, and is quite distinct from Rajput and Jat, the two tribes described in the last chapter. Though often a farmer he is by tradition and instinct a market-gardener, and alone amongst cultivators rivals the Jat. 'For cattle,' says the proverb, 'give me the cow, and for a cultivator give me the Arain.'¹ Though a Muhammadan, there is no labour so monotonous or so severe, that he will not do it, and it is said that, as long as there is work to be done he is there, but when there is none he disappears. A slave to his well, and too humble in origin to trouble himself like the Jat about the social pollution of manure, he pushes the cultivation of tobacco and vegetables almost beyond its economic limit. He produces more to the acre than any other tribe, but at a cost that most would consider prohibitive. To this life of unceasing toil he is driven by his prolific nature. Content with a low standard of living, he multiplies faster than any other important tribe, and his land is consequently split up into the minutest holdings.² To feed and clothe his family, and if possible acquire more land for his many sons is his only ambition, and it requires a degree of frugality that is almost injurious. He turns his milk into butter for sale, and his children have to be content with the buttermilk that remains. Taking neither the one nor the other himself, he even passes his wheat through a sieve in order that the larger grains may be sold. This is his way in Jullundur, and the result is a physique much less sturdy than that of the Jat and a mind as narrow as the plots he cultivates. He is too absorbed in his work to have any of the Jat's flair for making money, nor can his wife be compared with the Jat's in the economical management of a house. More accustomed, too, to serve than to rule, he is peculiarly susceptible to the influence of his social superiors. In Jullundur, for instance,

¹ *Mal gain, te rayat Arain.*

² In 40 years, 1881-1921, the Arain has increased by 37·5 per cent : for the Rajput and the Jat the corresponding percentages are 14·7 and 32 (*Punjab Census Report*, p. 348).

where the Jat is at his best, the Arain is very little in debt; but in Ferozepore, where the Jat is at his worst, he is extravagant and heavily involved. This is vividly shown by the following figures for two tehsils, one of which, Nakodar, is in Jullundur, and the other, Zira, in Ferozepore:—

TEHSILS				Arains	Debt's multiple of Land Revenue
Nakodar	..	..	..	1,815	11
Zira	..	..	..	692	33

Though these two tehsils march side by side, in the one the Arain is three times as heavily in debt as in the other. But even when in debt he still labours unceasingly, and all over the Punjab wherever he is found, whether in Sirsa on the edge of Bikaner or in Muzaffargarh on the borders of Sind, he is a shining example of the way the Punjab peasant can work.

If the Arain is deeply involved in Ferozepore, it is because it is the most heavily indebted district in the Punjab. According to the returns given above *Ferozepore* only nine per cent. are free of debt, and for the rest the average is Rs. 655, an amount that is only exceeded in two districts. These figures, if they stood alone, would be of doubtful value, as they are based upon only 1,941 cases and the district is large and varied; but the indication they give of abnormal debt is amply corroborated by recent official enquiry, which shows that mortgage debt is higher in this district than in any other. The actual figure is 468 lakhs, but this includes a certain number of mortgages under the Land Alienation Act, which after 15 or 20 years lapse automatically without payment. Deducting 10 per cent. on this account,¹ and, as before, assuming that unsecured debt is 40

¹ Definite figures are not available, but my enquiries suggest that this is a very liberal estimate. There is general agreement that this form of mortgage is disliked by all but the idler cultivators, as it involves parting with land for a long period and debars an owner from taking advantage of the rising value of land to redeem a portion of it in a year or two.

per cent. of the whole, we get a total debt of about 700 lakhs, or nearly £5 millions. This is equal to 38 times the land revenue, which is twice the multiple for the whole province. The peculiarity of the district, which lies on the edge of Bikaner, is that not very long ago it was one of the poorest districts in the province and now it is one of the richest. Outside the canal colonies there is no part of the Punjab which owes more to British rule. Carved out of the small State of Ferozepore, which lapsed to the British Government in 1835, its 4,000 square miles were originally nothing but a 'dreary and desert plain, where . . . an almost continual dust-storm was the normal state of the atmosphere,'¹ a kind of *ultima Thule*, which suddenly entered history with the battles of Mudki, Ferozeshah and Sobraon, all of which were fought within its borders. Only along the Sutlej, which half encircles the district, was there much cultivation, 'but in Muktsar a horseman at full speed would not reach the next inhabited spot within the hour'.² Ferozepore itself, which now has a population of 54,000, had then only 1,500 inhabitants. For many years the sand continued to drift to and fro over the district, and a relentless if bracing climate did nothing to mitigate the hardships of nature. Then in 1883 came the turning-point in its history; the Sirhind canal was opened and a new era began. Market towns sprang up, and road and rail were built,³ abundant crops of wheat and gram were reaped, and prosperity reigned.⁴ We have said above that in India every blessing is sooner or later neutralised by an increase of population. Ferozepore is only a temporary exception. In the twenty years from 1881 to 1901 population increased by 27 per cent. In the next ten years growth was almost entirely arrested by malaria and plague; but in the last decade, in spite of the destructive epidemic of influenza in 1918, it has begun with redoubled force. The increase has been nearly 15 per cent., and unless one of the great positive checks of nature again comes into

¹ S.R., 1855, p. 2. ² *Ibid.*, p. 76.

³ The line from Lahore to Ferozepore was opened in 1887; many lines have been constructed since.

⁴ Now 46 per cent. of the district is irrigated.

play, it is likely to continue till the present prosperity becomes a thing of the past, and life as great a problem as it is in the districts where men have multiplied too fast.¹ Meanwhile, however, cultivated holdings are still larger than in almost any other district of the Punjab. Towards Bikaner they average 80 or 90 acres, and it is only on the borders of Jullundur that they are less than 10. The district has, therefore, benefited to the full from the great rise in prices of the last twenty years, for, population not being excessive, there has usually been a large surplus to export.² The rise in the value of land has been even greater. Writing in 1915, the settlement officer observed that in the last twenty years 'or, it might also be said, in the last ten years,' its value had doubled in three tehsils and quadrupled in the other two.³

The prosperity of Ferozepore is characteristic of prosperity in this country. It has been gained too little by the exertions of the cultivators, and too much by the beneficence of Government and the favour of fortune. The one has given the district its splendid network of canals, the other a scale of prices and a range of markets unknown in the past. The Rajput, the Jat and the Arain had only to go on cultivating much as their forefathers did, though under far less arduous conditions, in order to reap a rich harvest of grain and coin. Of agricultural improvement or development due to the people themselves there is little sign. In the thirty years before the War the cultivated area only increased by five per cent. In two tehsils (Ferozepore and Zira) it has actually declined.⁴ And the rise in the value of land is due less to native skill and industry than to the improvement in road and rail, the rise in prices, the opening of new markets, and, above all, to the security of the Pax Britannica. The prosperity of the district is in a sense a windfall. Now it is a matter of

¹ In 1855 the density per square mile was 187 (*S.R.*, 1855, p. 83): in 1921 it was 270.

² In the 25 years between the last two settlements prices rose from 50 to 60 per cent. (*S.R.*, 1910-14).

³ *Ibid.*, p. 10. ⁴ *S.R.*, 1915, p. 9.

common observation that what is easily got is easily spent. This is what has happened in Ferozepore, and what in varying degree is happening in almost every other area that is prosperous. Half the cultivated land is in the hands of the Sikh Jat, a man who does splendidly, whether with sword or plough, as long as conditions are adverse. In Jullundur, where the size of holding commonly forces a choice between unremitting toil and emigration abroad, there is no better farmer or more enterprising emigrant: but in Ferozepore,¹ though he still farms well, prosperity has had a demoralizing effect, and too often his substance is spent upon wine, women, and strife.¹

There is probably no district in the Punjab where at once more spirit is consumed, a higher price is paid for brides, and more is spent upon litigation. In *Drink* India drink is rarely a cause of debt. For most the use of liquor is wisely banned by religion or custom. To this the Sikh Jat is an exception, and in Ferozepore, where he forms 25 per cent. of the population, we almost hear him exclaim with the Eastern sage, 'What life is then to a man that is without wine?'² In the two years following the War the consumption of country spirit reached an average of five gallons per 100 of the population, against a provincial average of $2\frac{1}{4}$ gallons, the serious feature of which is that the bulk of it was consumed by a single caste.³ Were life as hard to the Jat of Ferozepore as it is to his cousin in Jullundur and Hoshiarpur, this consumption of spirit would matter less, for it might merely give him the strength that the French and Italian peasant derives from his vineyard. But in India prosperity and drink agree but ill together, and as often as not dissipation and crime are the result. This district is notorious for both, and many mortgages are due to gambling and drink.

¹ An investigation which is now proceeding into mortgage debt in Ferozepore suggests that the man who has encumbered a large part of his estate is usually a drunkard, a gambler, or a sonless proprietor who thinks only of himself and his pleasures. ² *Ecclesiasticus*, xxxi, 27.

³ Ferozepore is only beaten by four districts—Lahore, Amritsar, Rawalpindi and Simla, which have all large urban areas to account for their high consumption.

The second object upon which large sums are spent in Ferozepore, and in fact throughout the central Punjab, is the purchase of brides. The fact is sometimes denied in the town, but is familiar to all who live in the village, and only north of the Jhelum can it be said to be rare. 'By a son,' says Manu, 'a man obtains victory over all people; by a son's son he enjoys immortality.' Marriage is, therefore, a religious duty, and the very word for a son in Punjabi (*poṭr*) means deliverance from hell.¹ But the difficulty is that out of a population of less than 21 millions there are 2 million more males than females.² Even in more advanced surroundings the result of this would be demoralizing, but in a country where the village woman is regarded as little better than a chattel, the purchase of brides is inevitable, though few, perhaps, would go so far as the frontier Pathan, who, finding that it would cost Rs. 30 to replace his wife's broken nose, seriously considered whether it would not be a better investment to get a new wife for Rs. 80.³ It must not be supposed that purchase is one of the effects of British rule, for it was common in the central Punjab before annexation,⁴ but it has greatly increased of late, and now, says the *Gazetteer* of a typical central district, 'the custom is almost universal . . . and only a few of the better families abstain from it';⁵ while of a western district we read that 'a large number of lawsuits, civil and criminal, practically turn on the question whether the mother or the uncle of a fatherless girl is entitled to the profits of mating her'.⁶ The remark of a Rajput is characteristic of most of the Punjab. 'As he was my brother's son,' he explained, 'I gave him my daughter as a gift,' and the word he used for 'gift' (*danpun*) implied that it was an act of charity.

¹ *Putra* (son) is traditionally supposed to be derived from 'put', the hell to which the childless are banished, and 'tra', which means 'to save' (see Monier Williams' *Sanskrit English Dictionary*, 1895, p. 632).

² In 1921 males numbered 11,306,265; females 9,378,759.

³ See T. L. Pennell, *Among the Wild Tribes of the Afghan Frontier*, p. 194.

⁴ See *Lahore Revised S.R.*, 1858, p. 11; and *Narowal S.R.*, 1850-59, p. 157. ⁵ *Ludhiana Gaz.*, 1904, p. 50. ⁶ *Shahpur Gaz.*, 1917, p. 75.

Hard cash is not always paid. To save self-respect it may be stipulated that the purchase price shall be spent upon ornaments and cattle for the bride, or upon the entertainment of the guests, or girls may be exchanged, a custom that is common in the south-west. A man of good family or with ample fortune can generally get his wife for nothing. The Rajputs, with their pride of caste, buy and sell less than most, but it was a Rajput who said to the writer: 'What can a man do? Can he prevail against his neighbours? Hard is our lot, and when the envoy comes and says that nothing will be done if nothing is given, the price is paid. So is our caste fallen from its pride, for in days gone by, when a daughter was wed, the father would not so much as drink water in the bridegroom's house, lest he should seem to take anything for her in return.' In parts of Ludhiana and Ferozepore, if the bridegroom is well born or well off, it may be the bride's father that has to pay, and this is generally the case in the highest castes. Not long ago a Khatri known to the writer lost his wife, and within a week his grandfather, the head of the family, was offered Rs. 2,000 for his hand. The poor man, on the other hand, has to pay through the nose, for, as Solomon observed: 'Wealth maketh many friends, but the poor is separated from his neighbour.' Nor do the plebian and the middle-aged fare any better, and worst of all are those who have some obvious defect of body or limb.¹ This buying and selling of wives has called into being a regular traffic in women, who are imported from the hills of Kangra and the deserts of Bikaner. The risk is small: if awkward questions are asked, there are always witnesses enough to prove satisfactory antecedents; and even if a former husband appears, the worst to be feared is a suit, which is not necessarily lost.²

As with everything else that is subject to the law of supply and demand, the price of brides has steadily risen.

Their Price Only the other day a Gujar of the hills remarked to the writer: 'Two wives have I

¹ 'An old man or a cripple or a one-eyed boy is sure to have to pay heavily for his bride' (*Rohtak Gaz.*, p. 91).

² In this connexion see *Report on the Administration of Civil Justice*, 1921, p. 2.

wed, and one has died. Both I bought eight or ten years ago for a hundred rupees; but now, would I take a third, thrice or four times this price must I pay.' Then after a pause he added reflectively: 'Cloth, too, is dear, but it has not risen more than the price of a bride.' In the fifties a bride could be had for Rs. 50,¹ but nowadays in the plains nothing worth having can be got for less than three or four hundred rupees, and a serious epidemic may considerably raise the price. In Rohtak, for instance, where in 1918 influenza carried off 10 per cent. of the people, the price rose from Rs. 500 to Rs. 2,000. In Hissar, on the other hand, the recent prolonged drought reduced it from Rs. 2,000 to Rs. 500. In individual cases the most extravagant prices are paid. Last year a man in a village near Gurdaspur was charged Rs. 4,000. The reason was that he was 'old' (he was 43), and had already had three wives without result. In another case, this time in Ferozepore, Rs. 3,000 had to be paid, as front teeth were coming out and the bride was only 16. These prices explain the boast of the president of a village bank, who said that one eye of his daughter was worth Rs. 4,000. But these are fancy prices (except, perhaps, for *beaux yeux*) and the average is considerably lower, varying, however, with both tribe and religion. A Muhammadan, it seems, can generally get what he wants for four or five hundred rupees, but the Sikh Jat has to pay one or two thousand. It is partly that custom allows the Muhammadan a wider range of choice, partly that he is not so well off. The Sikh, on the other hand, is wealthier, and the shortage of girls is greater with him than with any one else.

As a result of the high price of brides, many never marry at all.² In a Sikh village near Kasur it is said to be 15 years

¹ *Lahore S.R.*, 1858, p. 11.

² As far back as 1881 it was noted that in most Jat and Rajput families in Ludhiana 'will be found one or two men who have remained single' (*Gaz.*, 1904, p. 38). Similarly Mr. Bhalla notes that in Bairampur 'a large number of males remain unmarried' (p. 139), while in a Rajput village of Shakargarh, I found that 23 out of men of marriageable age, 17 were unmarried. Incidentally it may be remarked that the six who had married had spent an average of Rs. 1,500 each on their marriages.

since a boy was married. The people are too poor to buy brides, and too notorious as burglars and dacoits to be given them for nothing. Unable to wed, the Manjha Jat too often companies with the daughters of menials, and his magnificent physique is reported to be deteriorating in consequence. Elsewhere polyandry is not unknown, for two or three brothers will sometimes share a wife, or a man will emigrate and hand over his wife to a brother till he returns.¹ It is but a step from buying a wife to selling her. Thus an Amritsar Jat bought a widow and daughter (also Jats) for Rs. 600. He sold the daughter, who was in her teens, for Rs. 1,200, and six months later got Rs. 300 for the widow, clearing Rs. 900 in all. But the most surprising thing of all is that, in spite of the deplorable shortage of women, female infanticide still persists. This would be difficult to prove, but those who are in a position to know are agreed that it exists here and there, where caste is high and suitable husbands few. Writing twenty years ago, a deputy commissioner of Jullundur remarked: 'The girls are sacrificed in order that loans for their marriage expenses may not encumber the land descending to the sons. The birth of a daughter is regarded as the equivalent of a decree for Rs. 2,000 against the father.' The way to avoid this decree is then described. 'It is usually the grandmother and the midwife who get rid of the poor infant. The methods most resorted to are starvation, or starvation followed by a glut of milk, which causes severe colic, or exposure to the weather; but when hasty measures are desired the poor infant is placed in a large jar, the cover is put on and not removed till the child is suffocated.'² Things, no doubt, are better than they were twenty years ago, but there are still Jats and Rajputs who would rather see their daughters dead than married beneath their station, and according to trustworthy authority infanticide still occurs throughout the central

¹ See *Ludhiana Gaz.* (p. 50), which says that 'it is almost certain that polyandry is common in practice', and also *Ferozepore Gaz.*, 1915 (p. 69).

² *Jullundur Gaz.*, 1904, p. 60.

Punjab.¹ That this should be possible in a country where the shortage of women is so great is a curious commentary upon human logic. Incidentally it must tend to raise the prices of brides, and this is now so high that few can purchase without resort to the money-lender. Nor is the increase of debt on one side compensated for by repayment on the other, for, as some villagers in Ludhiana observed: 'The parents of the bride take Rs. 400, but spend it at once: it is ill-gotten gains: the women of the house buy silks: the men are ashamed of the money and spend it secretly.'² Occasionally, no doubt, some part of it may be applied to the repayment of debt, but probably never as much as what was borrowed to pay the price. The net result, therefore, is an increase of debt.

The purchase of brides raises the question as to how far marriage is an important cause of debt. Some authorities, notably Mr. Thorburn, consider it of little consequence.³ To this view the writer cannot subscribe. It is not the opinion of the country-side, nor does it agree with the result of his enquiries.⁴ Outside the Punjab, with the important exception of the Deccan Riots Commission (1875), the leading authorities (including the Famine Commission of 1880) are against it. This is what Mr. K. L. Datta says, after an enquiry

¹ One of my authorities is a Sikh official of standing: and he went so far as to say that one reason why village menials do not have to buy their brides is that they do not kill their infant daughters: see also *Ferozepore Gaz.*, 1915, p. 70, and Lucas, op. cit., p. 48.

² *Ludhiana A.R.*, p. 14.

³ Mr. Thorburn writes in his report (p. 23): 'On the whole, this enquiry shows that the common idea about the extravagance of zemindars on marriages is not supported by evidence.' But he adds that the expenditure on them is still more than poor men can afford, and he found that in 20 per cent. of the cases examined this expenditure was 'one amongst several' causes of debt.

⁴ The local gazetteers and settlement reports nearly all stress marriage as an important cause of debt. What the settlement officer of Ambala wrote in 1890 is typical: 'Every man,' he says, 'marries, and nearly everyone borrows to do so.' Only in the south-west of the province is this not the case: there insecurity and improvidence are the dominant factors.

which extended over the whole of India: 'In a good year his (i.e. the cultivator's) ignorance and improvidence make him spend the whole of his surplus on marriages and festivities, and his extravagance on such occasions often leads him even in good years to the doors of the money-lender. A ryot would stop at no extravagance in marrying one of his children or performing any funeral or social ceremony, to show more ostentation than his fellows.'¹ Similarly Major Jack, after making a more extensive and exhaustive enquiry, into debt than anyone before him, came to the conclusion that 'the great majority of agricultural debtors get into debt through improvident expenditure upon domestic ceremonies, and in particular upon marriages. . . . It is no uncommon thing for a whole or half a year's income to be spent.'² In the Punjab we find that the Famine Commission of 1880 regarded expenditure on marriage and other ceremonies as one the most prominent causes of debt,³ and forty years later, when a village in Hoshiarpur was surveyed, it was found that nearly 40 per cent. of the original debt of the village had been incurred for marriage and other social ceremonies.⁴ 'A Jat,' says another authority, 'will sometimes marry almost any woman he can.'⁵ This is because marriage is not only a religious duty, but also an economic necessity. As they say in Multan, 'The bachelor's life is not a happy one: he has himself to cook the food and himself to lift the water-pots'.⁶ Again and again, on enquiring why a member of a village bank was in default, the answer has been, '*Akela admi*' (he is alone). There is no one to look after his house, no one to bring the midday meal to the fields, no one to pick the cotton or to help in the weeding. A widower is often half paralysed when he loses this assistance. It is not surprising, therefore, that a man marries as soon as a suitable bride can be found. There is no looking ahead as to whether children can be supported or

¹ Op. cit., i, 164. ² Op. cit., p. 100.

³ *Famine Commission Report*, 1880, pt. ii, ch. iii, sect. iv, par. 7.

⁴ Lucas, op. cit., p. 100. ⁵ Bhalla, op. cit., p. 139.

⁶ *Chhare karman de sare, ap pakende rotian, ap bharende gharian.*

not, and land has risen so much in value that the actual cost of marrying presents much less difficulty than it should. What Sir Charles Bernard wrote of the Central Provinces fifty years ago is still true to-day: 'We see on all sides ryots or petty landholders habitually borrowing and spending sums equal to two, three or six years' income for a single marriage or betrothal.'¹ Sir J. B. Fuller, writing twenty-two years later, went even further. 'Cases,' he says, 'are common when a ryot will admit having spent twenty years' rental on marriages; they are not uncommon when he will admit having spent as much as fifty years' rental.'² Even when credit is controlled, as it is in a village bank, extravagant sums are spent. The writer remembers a co-operator who one year spent Rs. 1,300 in marrying a son, and the next Rs. 400 in marrying a daughter. Together the two sums represented 17 years' rental of his 10 acres' holding; and what made it worse was that he was already Rs. 1,500 in debt.

In the south-west of the province a man may still get married for Rs. 200 or less, and north of the Jhelum it only costs a hundred or two more; but everywhere else the peasant proprietor with only a few acres will have to pay at least four or five hundred rupees. In the Hoshiarpur village of Bairampur, where holdings average less than five acres, it was found in the case of a typical Jat that marriage costs the bride's father Rs. 473 and the bridegroom's Rs. 569.³ In the Sikh district of Ludhiana it can hardly be done under Rs. 1,000, and even ten years ago, before prices had risen, a Jat with only five acres would readily spend seven or eight hundred.⁴ In Sialkot, where habits are extravagant, and in Ferozepore, where money is plentiful, these figures can certainly be doubled; while further south, in Hissar, on the edge of Bikaner, the Bagri Jat rarely spends less than Rs. 2,000. An official of Ferozepore on Rs. 60 a month with 22 acres of unirrigated land, told the writer that

¹ Quoted by Sir J. B. Fuller, Commissioner of Settlements and Agriculture, Central Provinces, in a note dated 15th January, 1889.

² Memo. on the report of the Poona Commission, par. 8.

³ Bhalla, op. cit., p. 165. ⁴ Ludhiana S.R., p. 20.

in 1919 the marriage of his daughter had cost him Rs. 1,700; and another official in the same district, with double the pay and 15 acres of irrigated land, said that his marriage had cost Rs. 3,000, of which Rs. 2,000 was spent on jewellery for the bride. Instances like these could easily be multiplied, and it should be remembered that they are perfectly normal cases, relating not to the landlord but to the peasant proprietor. In the case of the former there is almost no limit to expenditure. Ten or fifteen thousand rupees are common enough, and more than ever must the help of the money-lender be sought.

There is one way in which marriage can be done 'on the cheap', and that is by exchanging a daughter or a niece for a bride, for then little is spent upon jewellery and not much upon guests. But the following case, which is given in detail as it is typical of a thousand others, shows that even so debt is not easy to avoid. The person concerned, a Jat Sikh of Sialkot, had been a bandsman in the army, and on his return from the War with Rs. 600 in his pocket, the fruit of three years' service in Mesopotamia, decided to settle down and get married. Not being well off—the small family property of seven acres had vanished in a mortgage—he could not hope to get a wife for nothing. Enquiry showed that he would have to pay anything up to Rs. 2,000, and another Rs. 500 for the inevitable *tamasha*. This being more than he could manage, he approached a sister who had a marriageable daughter on her hands, and offered to pay the cost of her wedding if she would consent to exchange her for a bride for himself. The bargain was struck, and before very long two weddings took place, for each of which he had to pay Rs. 600. Half of this went in jewellery and clothes for the bride, and the other half in entertainment of the guests. Rs. 80 were received in wedding presents (*neonda*); so the net cost was about Rs. 1,100. How was this met? I asked. The reply was instructive: Rs. 300 were taken out of the family chest, Rs. 600 were available from Mesopotamia, and the remaining Rs. 200 were *borrowed* at 24 per cent. Though this was three years ago, Rs. 100

are still unpaid. There is nothing sensational in this case. On the contrary it is an example of economy: but it shows how disproportionate marriage expenditure in this country is to resources, and how the accumulated savings of years may vanish in a week, leaving a man with a debt to pay as well as a wife to support. The only other way to avoid an expensive wedding is to borrow the necessary jewellery for the occasion; but this is a risky business if there is another son to be married, for, if it comes to be known, the nakedness of the land is apparent and neighbours may hold off with their daughters. In fact, rather than incur a suspicion of poverty a man will marry his first son with a splash, as there is no easier way of getting a bride for nothing than a reputation for wealth. I remember a man with ten squares¹ of good colony land being hotly criticised for spending only Rs. 1,500 on jewellery, when a neighbour with only one square had spent Rs. 2,000. 'I am rich enough,' he said, 'to marry my sons when I please, but if Atma Singh makes no show he will not marry them at all.'

In the central Punjab, apart from the cost of a bride, half or two-thirds of the expense of a marriage is due to the purchase of jewellery. No doubt this is a form of investment, but it is rarely regarded as such, and in any case no investment could be more wasteful. Money is borrowed at from 12 to 25 per cent. to buy ornaments worth at most only two-thirds of their price. Or pure gold is given to the *sunar* and an alloy is received in return. Now that gaudy inlaid ornaments are coming into fashion in place of those of solid silver and gold, it is easier than ever for the goldsmith to cheat. Many is the proverb against him. 'Five touches of the sunar,' says one, 'will convert gold into iron.' 'Think not,' says another, 'that the harlot can be pure, the donkey chaste or the goldsmith clean.' 'In his own mother's bracelets,' says a third, 'will he mingle dross.' In Sirsa recently, when the hitherto impecunious Rajput came back from the War

¹ 270 acres.

with money in his pocket, he bought a gold necklace or bangle for his wife. A year later came the drought, and necklace and bangle had to be pawned at half the price. The wily money-lender, too, made it a condition of redemption that it must be done within the year. The drought continued and the time for redemption passed, and half the original price of the jewellery was lost.

It is difficult for one who has not lived in this country to realize the part played by jewellery in Indian life. 'In India,' says Professor Kale, 'jewellery has been the average person's bank, which yields no interest. As soon as a man has made a small saving, he will hasten to convert it into an ornament for himself, his wife or his child.'¹ In the *Hissar Gazetteer* no less than 81 different ornaments are enumerated, including five for the nose alone. A woman's social standing is largely determined by her jewels, so much so that a settlement officer, who subsequently became Lieutenant-Governor, tells how the women of his district used to condole with his wife on his stinginess in not supplying her with better jewellery.² And it is not only her social but also her material position that is affected. In a country in which women are bought and sold it can be understood that her position is highly insecure. A quarrel may lead to separation, or her husband's death may leave her an unprotected and penniless widow with no right to any share in his estate. Her natural anxiety, therefore, is always to have something that may be retained in her personal possession against the uncertainties of fortune, and nothing serves this purpose so well as jewellery. In the old days she was content with silver, but now, more often than not, she must have gold, and it is at marriage that most of it is bought. This, as much as anything else, explains the perennial drain of the precious metals to India. Last year (1922-23) over 40 per cent. of the world's production in that year was imported,³ and in the

¹ V. G. Kale, *Indian Economics*, p. 105.

² Karnal S.R., 1883, p. 125.

³ Altogether £41 millions were imported—see *Bombay Labour Gazette*, May, 1923, p. 16.

last fifty years the amount exceeds £500 millions,¹ a sum probably nearly sufficient to pay off the whole agricultural debt of the country. Instead it has been either melted or hoarded, and the wealth that should have been the means of financing every kind of development has for the most part been applied to the adornment of ear, nose, neck, ankle, and wrist.²

It may be urged that it is only now and again that a marriage occurs, and that, happening so seldom, even if it means a loan, it is no great matter. This was the view of the Deccan Riots Commission, which remarked in their report that 'the constantly recurring small items of debt for food and other necessities, for seed, for bullocks, for the Government assessment, do more to swell the indebtedness of the ryot than an occasional marriage'. But, it may be asked, are marriages in India occasional? In the Punjab a boy is normally married at 16 or 17, and a girl a year or two earlier. A family of three, therefore, means a marriage on the average once every five or six years, and there may be a nephew or a niece to marry as well: and, owing to the early age of marriage, no sooner is one generation settled than another arises. Moreover, in a year in which there is no marriage there may very well be a betrothal or a funeral. Both will probably cost one or two hundred rupees, a sum that in a poor country is not always available. Last year the writer came across the owner of a few acres of land working as a cooly upon the road at seven annas a day. He was trying to pay off a debt of Rs. 200 incurred for his father's funeral. In Hissar, amongst the Bagri Jats, more will be spent upon a funeral than upon a marriage, and even in the central Punjab the cost may run up to Rs. 500. A red silken cloth has to be thrown over the body of the dead, and relatives and

¹ Calvert, p. 162.

² 'In the Punjab,' says Mr. Calvert (p. 217), 'there are over 158,000 persons supported by gold and silversmiths' work. Amongst these, if it is assumed that 32,000 are adult males earning somewhere about one rupee a day, then the cost to the province is over a crore a year.'

neighbours have to be entertained and given presents of clothes. As we saw above, a man who toils without ceasing may have enough and to spare to meet all the claims of custom, but few are as frugal and as industrious as the Mahtons of Hoshiarpur and Jullundur. Even in a good year a marriage will see the parties going off to the money-lender for part at least of the cost, and in a bad year, as likely as not, the whole will be borrowed. If only the peasant would not marry when the harvest is bad he would be in better case, but religious duties take no account of the harvest. 'If we do not marry,' said a Jat, whom the writer was reproaching for an imprudent marriage, 'we are as the unclean.' For the same reason, too, he will not wait till he can support a family: the very *faqirs* marry, though they have to beg the means of obtaining a bride. And the worst of a loan for a marriage is that it is usually not only large but also unproductive. No loan, therefore, is more difficult to repay, and no loan nails a man more tightly down in the coffin of debt.

CHAPTER IV

THE CENTRAL PUNJAB—(*Concluded*)

IMPROVIDENCE, EXTRAVAGANCE AND LITIGATION

ALLIED to the question of marriage expenditure are two causes of debt which we must now discuss, namely, improvidence and extravagance. The two are sometimes confused though sufficiently distinct. In a sense all extravagance is improvidence, but not all improvidence is extravagance. For instance, the man who marries before he has enough to support a family is improvident, but he is only extravagant if he spends more on his wedding than he can afford. There is general agreement that in India improvidence and debt are intimately connected. In the Punjab there is a popular saying—‘Give a man Rs. 100 and in a month he will have no more to show for it than a man who had only a bottle of liquor.’ What a settlement officer wrote nearly fifty years ago is still largely true: ‘It is not bad farming or extravagance so much as improvidence that makes the agriculturist indebted.’¹ In India, except where there are canals, agriculture is a gamble in rain, and too often the gambler’s habits prevail. In a good harvest the prudent man lays by for the bad; but the Indian peasant is not made that way. Almost literally he takes no thought for the morrow, and from time immemorial this has been the way of the East. Nearly 3,000 years ago Solomon noted it and wrote:—²

Go to the ant, thou sluggard :
Consider her ways and be wise :
Which having no guide,
Overseer, or ruler,
Provideth her meat in the summer,
And gathereth her food in the harvest.

And then in the picturesque phrase of the Bible follows a warning of the inevitable consequence of improvidence:—

¹ E. O. O’Brien’s Report on Muzaffargarh, quoted in the *Punjab Famine Report*. ² *Proverbs*, vi, 6.

So shall thy poverty come as a robber,
And thy want as an armed man.

Nowhere is this improvidence more marked than in the riverain tracts of the province, and nowhere is farming more of a gamble. Whether it is the Ravi, the *The Riverain Tracts* Beas or the Sutlej, or 'the harlot Sind', as the Indus is popularly called, it is always the same. '*Ek sal amir, el sal faqir*'—rich to-day, a beggar to-morrow—is the way it is put by local wit, and it exactly expresses the case. If the river behaves itself, there is 'God's plenty'; but if a big flood comes down, it is good-bye to crop, cattle, and home. Thus one proverb says that 'he who neighbours a river is neither hungry nor thirsty',¹ and another that 'to go and live by a river is to place a babe in a witch's lap'. On the whole the latter is nearer to the truth. Last year the Beas came down a dozen times in flood, and within 20 miles of each other six or seven villages were swept bodily away. The members of a village bank, says the report of a co-operator, 'had to shift their abodes to three different places. There are no acres left, none to build their houses upon. They have now arranged for temporary houses on the lands of a neighbouring village and have begun to cultivate as tenants.' Anyone who knows these rivers at all will have seen on their banks the little clusters of wattled cotes hastily built where villages have been swept away; and again and again, as one goes down the river, comes the prayer for land from the man who has lost all his fields. No wonder that grain and *gur*² are still offered to the river-god, and that the great Khwaja Khizar, who lives below with the crocodiles, is mentioned with bated breath. So much more powerful is he than man, that few trouble to stake their effort against him: no amount of toil will avert his wrath, while, if he is kind, a very little labour will fill the bins. The soil is often so rich with alluvial mud that a ploughing or two will secure an abundant harvest: sometimes it is not ploughed at all.

The higher Nilus swells
The more it promises ; as it ebbs, the seedsman
Upon the slime and ooze scatters his grain
And shortly comes to harvest.¹

Yet the day may come when it will all disappear in a frothing tide, reappearing, when the muddy waters ebb, as sand.

Only men with the qualities of the ant could work well under conditions so destructive of effort. Unfortunately, the

the Gujar and the Dogar, who abound along
Character of the the rivers, have little of the ant about them.
People

A hundred years ago most of them were shepherds or graziers, and lazy pastoral habits still prevail, with the tendency of every shepherd since the days of Jacob to increase his flock at the expense of his neighbour. Down both Sutlej and Indus there are many who use the thick river scrub of pampas and tamarisk to cover the traces of a stolen bullock, or who take advantage of a timely flood to swim another man's buffalo a mile or two down the stream before dawn. Not all, however, who live in the *Bet*, as these low-lying riverain tracts are called, are cattle thieves, nor are all equally improvident. To some extent the evil varies with the tribe. In the Ludhiana *Bet* the Rajputs are described as 'invariably lazy, extravagant and embarrassed', whereas the Jats, when not a prey to fever, are said to be industrious, intelligent and prosperous.² It is rare, though, to come across any of these three last epithets in a description of a *Bet*, and even the Arain, who has made Nakodar a garden, is a different creature and, as we have seen (p. 51), far more heavily involved in the adjacent tehsil of Zira, three quarters of which are *Bet*. The influence of the *Bet* is seen at its worst in Ferozepore, along the borders of which the Sutlej glides like a snake, and the tract is vividly described in the following passage by a settlement officer, who wrote seventy years ago: 'They (the Dogars, Gujars and Bhattis) are utterly devoid of energy, and are the most apathetic, unsatisfactory race of people I ever had anything to do with. They will exert themselves occasionally to go on a cattle-stealing expedition or to plunder some of the quiet, well-conducted

¹ *Antony and Cleopatra*, ii, 7. ² *Ludhiana S.R.*, 1912.

Arains . . . but their exertions are seldom directed to a better end. They take not the slightest pride or interest in any agricultural pursuit; their fields are cultivated in the most slovenly manner; you see none of the neatly-kept houses, well-fenced fields, fat bullocks, and wells kept in good repair which distinguish the industrious castes; but the hovels in which they live are generally half in ruins; no fences ever protect their fields, their cattle are half starved, and their walls often in the most dilapidated condition.¹ In Zira there are a few signs of improvement, for instance, an occasional Persian wheel and a slight rise in the standard of living; but in the rest of the area the description applies almost word for word, especially in regard to cattle-lifting, which is said to be as vigorous as ever and to be infecting the law-abiding Arains and Jats.

It is a curious feature of riverain tracts that they are mainly inhabited by Muhammadans. There are rival theories to explain this. Some say that when the Sikh ruled, he seized the securer uplands for himself and drove the poor Muhammadan down into the *Bet*. Others, going further back, say that this was exactly what the Muhammadans did, only *vice versa*, for in those days, when wells were few and canals not at all, the low-lying lands along the river were the best, and were greedily seized by the Muhammadan invader, who was more a shepherd than a farmer. Even now the proverb says, 'Low-lying land and well-to-do relatives are always an advantage'.² Neither theory is convincing. The Sikhs were certainly not squeamish about eviction, but there is no evidence of the wholesale eviction that the former theory suggests. There is more to be said for the other view; but, it may be asked, if the Muhammadan took the river lands because they were the best, how is it that for the most part we find there not the ruling Pathan and the high-born Rajput, but the humble Dogar and Gujar? The writer's theory is that life in *Bet* produces just the type of character, happy-go-lucky and poor, that is likely to adopt a

¹ *Ferozepore S.R.*, 1853, p. 4.

² *Niwen zaminen te ucche sakon jad kad nafa.*

religion at the point of the sword. However this may be, the fact that the bulk of the population is Muhammadan has undoubtedly complicated the problem of debt. The Muhammadan has a natural contempt for accounts, and in the *Bet*, if indeed anywhere, rarely checks expenditure until his elbow is unpleasantly jogged by the money-lender. This incompetence in money matters, combined with the prohibition against usury which he has inherited from the law of Moses, puts him at the mercy of the money-lender, who consequently thrives in the *Bet*.

But the problem goes deeper than religion or caste. Whatever the tribe, Rajput, Gujar or Jat, and whatever the religion, Hindu, Muhammadan or Sikh, debt is the rule and thrift the exception. Some by hard work may mitigate the uncertainty of the harvest, but few can avoid the other two curses of the *Bet*, malaria and over-population. 'In a bad year,' says the *Ludhiana Gazetteer* (p. 44), 'one can scarcely find in October an able-bodied man who is not suffering from fever.' Though in a hot, dry country like the Punjab nothing can be done without water, there is no greater impediment to health than to have it just below the surface; and when, as in the *Bet*, for several months in the year it oozes up above it, health is out of the question whether for man or beast. 'A strong body,' says an ancient writer, 'is above infinite wealth';¹ and certainly for the small holder, whose only chance of keeping afloat is unceasing work, wealth is impossible without it.

In the *Bet* holdings are not only small, but smaller even than in the country round.² It is a strange fact that where

¹ *Ecclesiasticus*, xxx, 15.

² Cf. the following averages :—

Tehsil	<i>Bet</i>	Whole Tehsil
Ludhiana ..	3 acres.	5½ acres.
Samrala ..	4½ „	5½ „
Jagraon ..	6 „	7 „
		Rest of Tehsil
Ferozepore	13	15 acres.
Zira	6	8 „

life is unhealthy it is generally prolific; and as life is only prolific where food is easily got, it would seem as if nature ordained that what was easily got should not be long enjoyed. In good years the *Bet* produces food in abundance, and, though in a bad year everything may be washed away, by a tightening of belts a large population can be maintained; but the price to be paid is a low standard of living. Along the Beas in a part of the Dasuya tehsil there are 1,176 people to the cultivated square mile,¹ and along the Ravi in, Gurdaspur the density is over 1,000. A little further down, where the river forms the northern boundary of the prosperous district of Amritsar, we read of 'attenuated frames' and of 'faces deeply marked with the lines of semi-starvation'.² These are the results of over-population in unhealthy surroundings, for population is thicker here than almost anywhere else in Amritsar; and it is not surprising, as the settlement officer remarks, that the standard of prosperity and comfort is correspondingly low. In Lahore the Ravi riverain is the only part of the district where there is admittedly serious embarrassment;³ in Ferozepore the *Bet* is waterlogged with debt; and much the same is true of Ludhiana and Hoshiarpur. Conditions in Dasuya have already been described (p. 25), and in Ludhiana the figures of my enquiry, which are almost entirely derived from those who live on the banks of the Sutlej, show that debt is 20 times the land revenue. As long ago as 1879 it was noted that every owner in the Ludhiana *Bet* was in debt and that the only cause was thriftlessness.⁴ This is still more the case with Muzaffargarh, a district compounded of nearly all the rivers of the Punjab which meet on its borders; and so happy-go-lucky are its cultivators who live on the Indus that, if the river rises higher than usual, their crops are frequently swept away solely for want of the necessary energy to stack them out of danger.⁵ What every *Bet* needs more than anything else is the inculcation of thrift. Necessary everywhere, in a *Bet* it is the *sine qua non* of a decent

¹ Rehkar Circle. ² *Ajnala A.R.*, 1913, p. 15. ³ *S.R.*, 1916.

⁴ *Famine Report* of 1879, p. 422. ⁵ *Leiah Gaz.*, 1916, p. 3.

life. Without it, it is useless to try and improve the methods of agriculture, which are there at their worst. With it, even health may improve and population diminish. Happily a start has been made with village banks, colonies of which can now be found all the way down every river in the Punjab. These are the hope for the future and sorely are they needed, for these tracts of riverain country are the plague spots on the prosperity of the province.

If conditions in the *Bet* have been described in detail, it is because in the Punjab there are 1,660 miles of river length, embracing a riverain population of over a million.¹ In lesser degree, too, these conditions are typical of India as a whole. The most arresting fact about India is that her soil is rich and her people poor. Those who know the *Bet* will understand the paradox. In a good year the earth yields her increase abundantly, often more than once, and from this abundance springs a population of 318 million souls. But nature is capricious and man improvident. When the lean years come there are too many mouths to feed and little or nothing laid by. If men do not die, it is because in a warm country life can be supported for a time on next to nothing. Accordingly, in spite of want, population multiplies, but the price to be paid is a low standard of living; and the standard of living being low, the three scourges of India, malaria, hook-worm and plague, prevail unchecked. In Europe we may talk of the survival of the fittest (though modern legislation is doing its best to prove it a lie), but in India it would be truer to speak of the survival of the least unfit. If abundance is the blessing of a climate that is at once moist and hot, bad health is its curse. And so we arrive at the secret of India's poverty, over-population, improvidence and disease, all of which are to be found in the *Bet*.

If improvident expenditure is pushed beyond a certain point it becomes extravagance. Authorities differ as to how

¹ Assuming an average width of three miles and applying the average rural density of the tehsils through which the rivers run, the population would be 1,137,750, a figure which has kindly been worked out for me by the Census Superintendent.

Extravagance and Debt far the latter is a cause of the cultivator's embarrassments. Mr. Thorburn, after an exhaustive enquiry in twelve villages, thought that it had very little to do with the case. 'It is idle to say,' he writes, 'that zemindars are thriftless, quarrelsome or extravagant, and have themselves to blame for their indebtedness. The evidence of this enquiry brings home none of these charges, except to some small extent thriftlessness.' Any opinion of Mr. Thorburn's on the subject of debt carries weight, but in this case there is formidable evidence against him. In 1889 the Financial Commissioner of the Punjab found that out of some 6,500 cases of alienation one-sixth were due to extravagant expenditure thoughtlessly incurred. In 1892 Sir J. B. Fuller, after examining the assessment papers of over 9,000 villages in the Central Provinces, came to the conclusion that indebtedness results from 'sheer wastefulness and extravagance'.¹ The Deccan Commission, though less emphatic, regarded extravagance as a cause of debt,² a view that is generally endorsed by the opinion of the countryside. Finally, there is the evidence of the assessment reports, in many of which extravagance figures prominently as a cause of alienation and mortgage. Not one of our four submontane districts escapes the charge, and in the central Punjab Jullundur alone appears to be free from the taint. Ferozepore is notorious and Sialkot almost as bad. In the south it is much less marked, but the Bagri Jats along the Bikaner border are famous for their funeral feasts, and those of Palwal near Delhi for their love of bhang; and in the Rohtak tehsil a village analysis of sales and their causes showed that far the greater part were due to 'recklessness or to special cases of difficulty'. North of the Jhelum, however, extravagance is rare, and even in the highly improvident south-west it is confined to the large landlords, who have little to do but spend their rents. Extravagance, then, exists, but it is far from general. When it is found it is nearly always due to one of three causes—the

¹ Memo. on the Poona Commission Report, dated 29th September, 1922.

² See Duprenx, *People's Banks for Northern India*, p. 12.

neighbourhood of a large town, prosperity, or caste. The Rajput is the best instance of the latter. As we have seen (p. 37), no one can be more extravagant, and, wherever he is dominant, he is apt to infect his neighbours with the taint. The influence of the larger towns is also bad. With their ready markets and many pleasures they bring both prosperity and temptation. To many the combination is difficult to resist. Round Amritsar a mortgage can often be traced to dissipation and drink.¹ Near Lahore the Arain, normally the most frugal of men, is so extravagant that the Arain co-operative societies of the neighbourhood have been forced to limit expenditure at marriage and death by rule, and punish a breach by fine. This extravagance is reflected in the figures given in the last chapter (p. 46), which show that debt in the Lahore tehsil is 22 times the land revenue. Even in the country round Rawalpindi, which gives its name to one of the sturdiest districts in the province, extravagance is said to be common and 'debauchery far from unknown'.² But the greatest cause of extravagance is prosperity. Thanks to canals and high prices many a Punjabi has suddenly found himself with money in his pocket, and like the half-educated man who comes into an unexpected fortune he launches out more than he should. Most of the places mentioned above are instances of this, notably Ferozepore, which is only less flourishing than a canal colony, and Rohtak, in which there is considerable affluence. It is this combination of prosperity and extravagance which helps to explain the high prices given for brides, the mass of gold converted every year into ornaments, the excessive prices paid for land, the large consumption of liquor in the more prosperous districts, and the ever-increasing number of suits. But not all are prosperous, and for the most part the man with a few acres, the typical peasant proprietor of the Punjab, has a hard struggle to maintain himself and his family. He may be improvident but he is rarely extravagant. Indeed, riding through the country from village to village, it is difficult to believe that there is any extravagance at all. Conditions are still primitive,

¹ *Amritsar A.R.*, 1912, p. 16. ² *Rawalpindi A.R.*, 1905, p. 21.

houses and food of the simplest, and clothes, in winter at least, far too meagre. But if we stopped to attend a Rajput wedding, we should be surprised at the amount of hospitality and show; and if we were foolish enough to linger round a large town, we should have no difficulty in discovering the rake and all the familiar signs of his progress. Or again, if we marched through one of the great canal colonies, we should hear tales enough of the sums spent to gain or pervert the ends of justice. But these would only be incidents in a kaleidoscope revealing more improvidence and waste than extravagance and vice.

There is one aspect of rural life in the Punjab which is commonly quoted as an example of the cultivator's extravagance, and that is his almost passionate love

Litigation of litigation. It is not uncommon to hear of suits dealing with the minutest fraction of an acre being fought up to the High Court, and of criminal cases involving the expenditure of thousands of rupees. That many get seriously involved in consequence cannot be disputed, but whether in the province as a whole, litigation is a major cause of debt is more difficult to determine. Unfortunately, there is little definite evidence on the subject. There is the enquiry of 1889, when 8,634 alienations were examined, and it was found that only 241 were due to litigation against 1,003 for marriages and social ceremonial: and there is Mr. Thorburn's enquiry of a few years later, which showed that not more than two per cent. of the debt in his 12 villages was the result of civil suits.¹ For more modern conditions we have to rely upon general information and upon the opinions of those best acquainted with the people. Amongst the latter few can compare with the settlement officer, and if we turn to recent settlement reports we find litigation constantly mentioned as an important cause of debt. This is the case in Ludhiana, Amritsar and Jullundur, to go no further than the central Punjab; and in the last, litigation is described as 'one of the most notable features of the district'.² Further

¹ Op. cit., i, 48; bribes, however, were not included.

² *Jullundur S.R.*, 1917, p. 8.

west, owing to the factions and feuds of the people, it is equally prominent and, all down the Indus, from Attock to Muzaffargarh, litigation and debt would appear to be closely allied. 'To people,' says the settlement officer of Mianwali, 'who are not only delighted to take advantage of the smallest chance of joining in an affray or trying their strength, but are also desperately fond of civil litigation, years of plenty offer an irresistible temptation to spend money in connection with cases which in the long run prove utterly ruinous to many of them.'¹ In districts where there are great fluctuations of harvest every lawyer knows that his income will contract or expand in ratio to the quality of the harvest, which is a sign that the villager is quick to go off to the courts when he has any spare cash in his pocket. In the three years, 1919-21, the number of suits filed in the Punjab averaged over 188,000, and the number of persons brought to trial 268,000. Of the latter, 185,000 were acquitted or discharged, which shows that crime and the criminal complaint have little in common, and that to a great extent the criminal courts are but another branch of the civil.

The cost of so much litigation is obviously considerable. Mr. Calvert estimates that $2\frac{1}{2}$ million persons (that is to say, over 40 per cent. of the adult male population) attend the courts every year, either as parties or as witnesses, and that three or four crores are wasted in the process.² An Indian who is intimately acquainted with village life in the central Punjab states that the cost of a trifling case once filed in court, even if it is quickly compounded, is not less than Rs. 100. Not only have pleaders to be engaged and stamp duty and process fees to be paid, but petty officials have to be propitiated—their demands are said to have risen with the rise in prices—witnesses may have to be hired, as much to prove what is true as to establish what is false, and perhaps the support of an influential neighbour has to be gained, all of which consumes both time and money. Even if a case does not go to court, money has to be spent, as the following instance shows. A villager was returning one evening from his

¹ *Mianwali A.R.*, 1907, p. 25.

² *Op. cit.*, p. 206.

fields and, being obliged to stop for a moment, absent-mindedly allowed his bullocks to stray into a neighbour's crop. The neighbour appearing, there was the inevitable volley of abuse followed by blows, which however did no great harm. But blood was up and the injured party hastened to the police. There Rs. 45 had to be paid to have the case registered, as, being a petty affair, it was not one with which the police had any concern. To strengthen the case the complainant went off to the local sub-assistant surgeon to get a certificate that serious injuries had been inflicted, but as the damage was slight Rs. 190 had to be paid before it was given. Hearing of the certificate the other party took alarm, and began spending money to get evidence to rebut it. It was at this stage, before proceedings in court had begun, that my informant intervened and compromised the case, which ended typically in mutual apologies and a total expenditure of Rs. 409.

Returning to more official sources of information, we find that the two districts that stand first in the province for the number of suits are Amritsar and Muzaffargarh, in both of which debt is unusually heavy.¹ Amritsar, as we shall see in a moment, is one of the three most indebted districts in the Punjab, while Muzaffargarh is so seriously involved that it is dealt with at length in a later chapter. We find further that the districts that come next are Lahore and Ferozepore in the central Punjab, and Hoshiarpur and Gurdaspur in the submontane area, and that these are all districts in which debt is abnormally high. After what has been said above it is difficult to believe that this is a mere coincidence. We may, therefore, conclude that in certain districts litigation is one of the major causes of debt, and that this is the case either where, as in Hoshiarpur, the people are exceptionally litigious, or where, as in Ferozepore and Amritsar, they are exceptionally prosperous. As to the rest of the province my impression, after much enquiry, is that it is only a secondary factor.

Before concluding this chapter we may, as before,

¹ The above is based upon the figures for 1920 and 1921: in 1920 Muzaffargarh stood first, in 1921 Amritsar.

attempt some estimate of the total debt of owners and occupancy tenants of the district in the central Punjab. Calculating this as in the last chapter we get the following results:—

						Lakhs
Ferozepore	..	..	..	..	..	700 ¹
Amritsar	..	..	..	..	..	480
Ludhiana	..	..	..	..	..	348
Lahore	..	..	..	..	..	339
Jullundur	..	..	..	..	..	329
Gujrat	..	..	..	..	..	250
Gujranwala	..	..	..	..	..	96

It will be seen that in five out of the eight districts the total debt again exceeds £2 millions, while in Ferozepore it is nearly £5 millions;

But the significance of these figures depends upon their relation to the land and the people. The simplest way to express this is to state debt in terms of land revenue, cultivation and population, and, to widen our view, the figures for the four submontane districts will be given as well. The figures for the eleven districts are as follows:—

Central Punjab	Debt's multiple of the land revenue	Debt per cultivated acre	Debt per head of the rural population
		Rs.	Rs.
Ferozepore ..	38	32	72
Amritsar ..	30	66	65
Ludhiana ..	23	49	71
Lahore ..	21	31	43
Jullundur ..	17	50	47
Gujrat ..	15	25	32
Gujranwala ..	6	11	18
<i>Average</i> ..	22	36	51
Submontane Area			
Sialkot ..	28	56	54
Ambala ..	24	45	56
Hoshiarpur ..	24	64	48
Gurdaspur ..	20	49	47
<i>Average</i> ..	24	53	51

Of these three measures of debt the first is the best, as land revenue is everywhere assessed upon a more or less

¹ For this figure see p. 51.

*Central and
Submontane
Districts
compared*

uniform basis. The second is open to the objection that the yield of land varies from district to district, and is, for instance, much greater in a fertile and highly-irrigated district like Amritsar than in Ferozepore, where there are large tracts of sandy land depending upon a scanty rainfall, and where on the average one-fifth of the cultivated area fails every year. This explains the low average per acre in Ferozepore, which is in marked contrast to its high multiple of land revenue. The third measure is useful for comparative purposes, but it must be remembered that it includes all classes of the rural population, whereas the figures for debt relate only to proprietors and occupancy tenants. Bearing these points in mind and the fact that in the central Punjab 19 per cent. are free of debt against only 11 per cent. in the area nearer the hills, we may say that the former is slightly less indebted than the latter. The difference, however, is less remarkable than the resemblance, and for these eleven districts as a whole, which represent the heart of the Punjab, we may say that debt is 23 times the land revenue and averages about Rs. 50 per head of the rural population: and we may add, what indeed is a cautious estimate, that the former is equal to at least four years' rental of the land. Of the eleven districts there can be little doubt that Ferozepore, Amritsar and Sialkot are the most heavily involved. They are probably the three most indebted districts in the province, and in each of them debt certainly exceeds the value of a year's gross produce. If, as has been estimated, land revenue is five per cent. of the latter, debt in Ferozepore is equal to nearly two years' value.¹

¹ That these estimates are cautious is clear from the following figures, which are taken from the settlement reports of the districts concerned:—

PERCENTAGE OF LAND REVENUE TO:			
		Net Assets	Gross Produce
Ferozepore (1915)	.. ..	20	8
Amritsar (1914)	.. ..	25	9
Sialkot (1914)	.. ..	31.5	10

In regard to these figures it must be remembered, (a) that settlement estimates always err on the side of caution, and (b) that prices have risen since these settlements were made.

At first sight it is unexpected to find two districts so dissimilar as Sialkot and Ferozepore amongst the three most indebted districts in the Punjab. In the one rainfall is high and holdings small, in the other rainfall is low and holdings large. In Sialkot the advantage of 30 inches of rain is neutralized by the increase of population, leaving most people no more than five or six acres to cultivate. The main cause of debt, as was shown above (p. 41), is the pressure of the population upon the soil. With present methods and conditions, holdings tend to be too small for subsistence, and nine out of ten peasants are forced to the money-lender. In Ferozepore, on the other hand, land is abundant and the wide extension of canals has doubled its yield and trebled its value. The sudden acquisition of wealth, due more to good fortune than to effort, has partially demoralized the people, stimulating extravagance, dissipation and drink. The money-lender, who might have been shaken off altogether, has secured a firmer hold than ever. Values are so inflated that everyone's credit is good, and where everyone can borrow few refrain. In Sialkot, too, the rise in the price of land has made borrowing easy and encouraged extravagance, which expresses itself in much the same ways in both districts, namely, in litigation, costly weddings and in the high price of brides. But whereas in Ferozepore the cultivator borrows because he can, in Sialkot for the most part he borrows because he must.

If in Ferozepore debt is mainly due to prosperity and in Sialkot to small holdings, why is it 30 times the land revenue in Amritsar? Holdings, it is true, are as small as in Sialkot, and this no doubt accounts for much; but, if ever debt could be light in a district of small holders, it should be so in Amritsar. Seventy-five per cent. of the district is cultivated and nearly half of it irrigated. The neighbourhood of Amritsar, the commercial capital of the Punjab, provides an ideal market for every kind of produce. Land revenue is lenient and the people enterprising, and many lakhs a year are earned by emigration

and military service.¹ The district is undoubtedly prosperous and, except along the Ravi, real poverty is rare. At worst we should not have expected to find more financial embarrassment than in the adjoining district of Jullundur. Actually, however, it is at least 50 per cent. greater.² There are several reasons for this. Irrigation in Jullundur is entirely from wells, whereas in Amritsar more than half comes from canals. The difference is important. To raise water from a well costs more effort than to get it from a canal, and in a warm, even more than in a cold, climate effort is the salt of life. The man, too, who depends upon a well will tend to be more frugal than the man who depends upon a canal, for what is gained with difficulty is spent with care. The cultivator in Jullundur is, therefore, both more industrious and more frugal than he is in Amritsar. It is significant that in the latter, in the twenty years between the last two settlements, the number of wells did not increase, while in Jullundur in much the same period nearly 9,000 were built. In Amritsar, too, cultivation declined by $2\frac{1}{2}$ per cent.³ Moreover, if the peasant in Jullundur is more industrious and more frugal, he is also healthier than his cousin in Amritsar, for canals waterlog the soil, and nothing is more inimical to health than a waterlogged soil. In many parts of the district the water-level has risen 16 feet in 50 years (1865-1914), and now in most of the Amritsar tehsil it is only 8 or 10 feet below the surface.⁴ As we have seen (p. 71), waterlogging, fever and debt go hand in hand. It is, therefore, no unmixed blessing that in the twenty years before the War the canal irrigated area increased by 58 per cent.⁵ Here, indeed, we have much the same phenomenon that has been the undoing of Ferozepore—canals, wealth and debt following in unhappy sequence. The mischief in this case has been aggravated by

¹ Before the War there were 8,000 people in Government pay and 25 lakhs were disbursed annually in pay and pensions; 6,500 squares (about 170,000 acres) were also owned in different canal colonies.

² Yet in the final official comment on the last settlement, the people (except in certain circles of the Ajnala tehsil) are described as being '*singularly free from debt and encumbrances*'. The italics are mine.

³ S.R., 1914, p. 3. ⁴ *Ibid.*, p. 14. ⁵ From 160,000 to 255,000 acres.

the town of Amritsar, which dominates the district and taints the country round with extravagance, if not worse. If, therefore, the smallness of the holdings provides the basis of debt, it is prosperity that swells the account. The same is true of Ludhiana, and when we come to examine conditions in Lahore we shall find prosperity equally harmful. The central Punjab in fact affords abundant evidence that prosperity and debt are only less intimately connected than poverty and debt.

But, it may be asked, if this is so, how is it that in Gujranwala, an admittedly prosperous district, debt is only six times the land revenue, especially when holdings are nearly as large as those in Ferozepore and even more generally irrigated? The answer is that its prosperity is of recent date—the Upper Chenab Canal was only opened in 1912 and followed a heavy decline in the population.¹ The immediate effect of the opening of a canal is naturally to reduce debt. People who were poor find themselves rich, mortgages are redeemed and *bantias*' accounts settled, all of which has happened in Gujranwala.² The ultimate effect, however, is the precise contrary, and in the case of Gujranwala and of every canal colony the guess may be hazarded that sooner or later population will neutralize the blessings of the canal. The inevitable result will then be debt. The *facilis descensus Averni* may be retarded, but it cannot be averted—unless the whole system of borrowing in the village is radically changed. What this system is and how far it can be changed we shall see later.

¹ 1910-11 the decline in the Gujranwala tehsil was 14 per cent. and in Wazirabad 19 per cent.

² At the last settlement (1909-13) 14 to 17 per cent. of the cultivated area was under mortgage in Gujranwala, Wazirabad and Sharaqpur. In 1921 the percentage for the two districts that have recently been formed mainly out of this area, was nine for Gujranwala and only five for Sheikhpura.

CHAPTER V

THE NORTH AND SOUTH OF THE PUNJAB

CLIMATE AND INSECURITY

The North

WE have now disposed of the districts that form the heart and backbone of the Punjab, and in doing so three of the four basic causes of debt have been examined. *Description of the Tract* In this chapter it is proposed very briefly to deal with the two extremities of the province, north and south. In the one we shall see the small peasant proprietor valiantly keeping both nature and the money-lender at bay, and in the other we shall have occasion to discuss the last of our basic causes of debt, insecurity. The north will be described first.

The Jhelum, on the banks of which Alexander defeated Porus, forms the natural boundary between the north and the rest of the Punjab.¹ As we approach it, we are aware of a radical change in the country. The unending plain of the central Punjab gives way to a confused medley of hillock and hollow; and looking out of the train to the north-west we get our first glimpse of the gaunt outlines of the Salt Range, a rocky offshoot of the Himalayas, which 3,000 years ago sheltered the Pandavas in their exile and now produces the best salt and some of the finest soldiers in India. Forging northwards, we enter a country of stony moorlands, where sustenance must be drawn from rock, ravine and hill, and bullock and ploughman have to pick their way uneasily between boulder and stone. Vegetation is thin and trees are few. In the dog days cattle get a scanty shade under the thorny *kikar*, and in winter there are patches of young wheat as green as the emerald; but even in good years, when every available plot is sown, the country still looks rocky and bare.

¹ For map see p. 23.

In some respects, however, conditions resemble those of the tract we have left. Rawalpindi, the most important of the three districts concerned, lies as much at the foot of the Himalayas as does Hoshiarpur, and consequently has much the same rainfall, while holdings are, if anything, smaller. Similarly, at the other end of the scale, rain is as rare in the Salt Range as it is in parts of Ferozepore, and holdings are almost as large. But there are two important differences which affect the whole tract. The climate is the best in the Punjab, and the system of irrigation the worst. The one balances the other. The almost entire absence of irrigation—there is not a single canal—makes life a stern struggle with nature; but the bracing climate, due to a long cold weather and to a comparative freedom from the moist, enervating heat which is India's bane, has given the people a sturdiness and vigour of character which makes many of them more than a match for their difficulties. We have already seen that the only thing that can save the small holder from the money-lender is unflagging industry or the resource of a second string to his bow. Here we have both. Those who stay on their land work hard, and those who cannot live on it go into the army or seek their fortune abroad. It is not for nothing that the northern Punjab is famous both for the number and the quality of its soldiers. In the War, Rawalpindi and Jhelum surpassed all other districts in India, and together the three districts comprised in the tract provided 87,000 men, or one-fifth of the total number furnished by the whole province.¹

Of the three districts Rawalpindi must first be described, as it illustrates best what has just been said. The two

Rawalpindi salient features of the district are the character of the people and the smallness of their holdings. In no tehsil does the average cultivated holding exceed four acres, and in the hill tehsil of Murree it is only two and a half.² In the latter, and in Kahuta, next door, there are 'few parts where the ordinary zemindar can live on his land alone'. To a large extent this is true of the district as a whole.

¹ Leigh, *The Punjab and the War*, p. 61.

² Only in three other districts, Kangra, Hoshiarpur and Jullundur, is the average less than five acres.

The cultivator, therefore, is compelled either to seek the money-lender or to find some further means of subsistence. This choice, which faces the small holder all over the world, has for the most part been manfully decided in favour of the latter. In the Murree tehsil, thanks to a large hill station and to the half-dozen cantonments perched on its hills, this was easy enough. Carts can be plied up and down the Murree road, ponies and bullocks let out on hire, and milk, fruit, potatoes and fuel, the latter generally stolen, can be hawked to a host of eager buyers. In the less favoured parts of the district men emigrate or join the army. East Africa, Australia and China all know the peasant proprietor of 'Pindi, and there is hardly a steamer sailing from Bombay which does not carry a Gujar Khan stoker on board. South of the Jhelum few zemindars will condescend to the work of a cooly, but in the north men will always pocket their pride and, to keep out of serious debt, will turn their hand to anything. It is this mixture of necessity and enterprise that has filled the army with soldiers from Rawalpindi. For a generation the district has stood first in India for the number of its recruits, a pre-eminence that was gloriously maintained during the War, when 40 per cent. of those of military age were under arms.

In all this there is doubtless nothing new. Both in Hoshiarpur and in Jullundur there were the same necessity and enterprise, urging men into the army and out into the world beyond. If we draw attention to them again, it is because there is no district in the province, perhaps even in India, where necessity and enterprise are more closely allied than in Rawalpindi, and where their effect upon debt is more marked. This is shown by the following figures, which include the district of Jhelum, where on the whole conditions are similar :—

District	No. of proprietors	Percentage entirely free of debt	Average debt per <i>indebted</i> proprietor	Debt's multiple of land revenue
Rawalpindi	1,711	24	171	9
Jhelum	1,625	30	345	10

It will be seen that average debt in Rawalpindi is only Rs. 171, that total debt is no more than nine times the land revenue, and that 24 per cent. have no debt at all. Compare this with the submontane area, where only 11 per cent. are free of debt, and with the central Punjab, where debt is 22 times the land revenue. Excluding districts with canal colonies, where conditions are unusually favourable, Rawalpindi would appear to be the least indebted district in the province : nowhere else is debt less than ten times the land revenue or average debt below Rs. 200. It would be pleasant to suppose that this comparative immunity was in any way due to good farming ; but it must be regretfully admitted that this is not the case. It is, unfortunately, a fact that in a country with a low standard of living and a vicious system of credit, good cultivation is not necessarily a protection against debt. On the contrary, in so far as it adds to the value of the land, it makes borrowing easier, and even if this temptation is resisted, sooner or later the increase in production is swallowed up in an increase of population. Enterprise, on the other hand, is a surer safeguard, for while there is an obvious limit to what may be gained from the soil, there is no such limit to what may be gained by men of resource who are prepared to seek their fortune abroad. The importance of this will be evident when we come to deal with the western Punjab, where the position of the small holder is desperate for lack of the very enterprise that is the saving of the north.

A point to be noted in connection with the district is that all through the assessment reports runs the refrain that life is hard. It is evidently much harder than life in Hoshiarpur and Jullundur : many, for instance, cannot afford bullocks and have to plough with donkeys instead. That in the circumstances debt should be low suggests that it is not the poorest districts that are the most indebted. If true, this is a fact of considerable importance, for it means that a large volume of debt is not necessarily a sign of poverty. In a later chapter (XI) we shall see that it is rather a sign of prosperity, and we have already had an

*Importance of
Enterprise*

Poverty ; Debt

indication of this in the exceptionally heavy debt disclosed by the two prosperous districts of Amritsar and Ferozepore (p. 81).

Even Rawalpindi affords a small but significant example of this, for it is only in the neighbourhood of the town that gives the district its name that debt is said to be heavy, and conditions are easier there than anywhere else in the district. With its 100,000 inhabitants, its cantonment and its arsenal, its railway workshops, its stores and its factories, the city affords a splendid market for both labour and produce. But, unfortunately, like Lahore and Amritsar, it taints the neighbourhood with extravagance, and, by raising the value of the surrounding land, makes borrowing a matter of ease.

As before, it will be as well to check my *Figures for the whole Tract* figures for debt by those of the official enquiry. Treating the latter as usual, we get the following results :—

TOTAL DEBT¹

District	In lakhs	As a multiple of the land revenue	Per cultivated acre	Per head of the rural population
Rawalpindi ..	57	8	Rs. 10	Rs. 12
Jhelum ..	96	13	14	22
Attock ..	121	18	12	25
<i>Average</i> ..	..	13	12	20

These figures generally confirm what has been said above, and we have only to turn back to page 79 to see how much lighter debt is in Rawalpindi and Jhelum than in the central Punjab. Attock, on the other hand, is heavily indebted. The reasons for this must be found in the peculiar conditions of the district.

Girt with hills and cradling the Indus, this rugged district helps to divide the Punjab from the Frontier, and marks

¹ In this case to obtain total debt, the official figures for mortgage debt have been doubled, as the figures for my enquiry suggest that mortgage debt is only 25 per cent. of the whole, cf. p. 40.

A Primitive District and its Superstitions almost the verge of civilisation. Though the peasant proprietor is still in evidence, he is dominated by the landlord, who is the principal factor in the district. With a comparatively few exceptions, the latter is nothing but a rent-receiver, who does little for his tenants and in many cases leaves them to the mercy of not too scrupulous agents. Nor, when a man has obtained land of his own, is he much better off, as he is apt to be caught by the money-lender. But for co-operation, the money-lender would have it all his own way, as communications are bad, markets few and rainfall uncertain. Moreover, lying along the Indus, one of the natural frontiers of India, the district has had more than its share of political insecurity, and conditions are as primitive as in any part of the province, as the following incident shows.

Last year, during a long break in the monsoon, when men were beginning to be anxious about their crops, an Indian official of standing chanced to visit a certain townlet on tour. Hearing of his arrival the women came out with their drums and begged to be allowed to souse him with water, explaining that this rite, performed upon a person of unimpeachable 'virtue', must infallibly bring rain. For two days the official held out, but on the third, the skies still being clear, the women became desperate and threatened to perform the rite in his court. Bowing to necessity, he stripped to the waist and allowed 20 waterpots to be emptied over him in the verandah of the dak bungalow where he was staying. Then followed a period of considerable anxiety; was his 'virtue' as potent as was supposed? Happily within 24 hours came a torrential downpour, and his reputation was saved.¹ This trifling incident shows that superstition is still a factor to be reckoned with in the village life of the province. We have already seen how, in Rohtak and Hoshiarpur, magic is sometimes preferred to inoculation.² In the former, to chew a peacock's feather is still regarded as a sufficient remedy for the bite of a cobra.³ In the south-west certain Sheikhs

¹ My informant was the victim himself.

² p. 33.

³ *Rohtak Gaz.*, 1910, p. 57.

in the Dera Ghazi Khan district are paid a regular tithe for their prayers for rain or the reverse, as the case may be; and what is more, they are tied up till the prayers are said. Amongst the Balochis in the same district women are occasionally lined up and beaten with shoes, in the belief that their cries will draw answering tears from heaven. It is much the same idea that in Attock makes men, women and children collect together and fling a pot-full of water and filth into the house of the most quarrelsome person in the village, in the hope that the violent quarrel which ensues will draw the attention of God to their plight.¹

Yet, even in the heart of this primitive district—so full of contrast is Indian life—is the small fertile plain of the Chhach, 20 miles long and not 10 miles broad, locked in by the hills and the Indus, and containing a population of Pathans as industrious and as enterprising as any in the Punjab. Its only disadvantage is that men have multiplied too fast, with the result that holdings are smaller than anywhere else in the province, being in many cases a mere fraction of an acre. People, therefore, cannot live on their land; but instead of going to the money-lender other resources are tapped. If there is only one bread-winner, he cultivates his plot for six months of the year and then goes off to the fairs of the central Punjab to buy cattle, which he sells to the meat-loving Pathans across the river. If there are two, one goes abroad to Australia, Cape Colony, East Africa or New Zealand, or, like the men of Gujar Khan, takes service on board some steamer sailing from Karachi or Bombay. Though most of these emigrants are illiterate, they can usually earn Rs. 500 a year, and on their return home are able to build *pukka* houses, buy better clothes, and add butter and meat to their frugal diet. Their only extravagance is the funeral feast. Upon this they let themselves go, and the whole village, whatever its size and whatever the expense, is entertained: but this matters little, for if debt results a trip abroad soon clears it off. The Chhach, however, is but a small oasis in a district that is far from secure; and it is this

*The Importance
of Enterprise
illustrated again*

¹ *Attock Gaz.*, 1907, p. 108.

lack of security that mainly accounts for Attock being more indebted than Rawalpindi. The reason for this will be clear from what follows.

The Southern Punjab

Passing now to the other end of the province south of the Sutlej, we enter a country which is the watershed of the Bay of Bengal and the Indian Ocean, and the true frontier of Hindustan. The language is no longer Punjabi, and the features of the people are less definitely Aryan. The cultivators are generally Hindu, and even the Muhammadan is half Hindu in mind and rite. The very appearance of the country is different. Wells and trees give place to sand and scrub. The villages are twice as large (no doubt because water is scarce) and each has a tank, along the banks of which struts the sacred peacock. Everywhere is seen the camel, sometimes even at the plough, and antelope and gazelle abound. Only administratively can the tract be said to be part of the Punjab. On the east, it is much more akin to the United Provinces, from which it is divided by the Jumna, and on the west to Bikaner, which stretches away in limitless waste almost to the shores of the sea. In the south, the dry scrub-covered hills of the Aravalli point the way to the fastnesses of Rajputana, and not far away in desolate grandeur rises the imperial city of Delhi. It is a tract full of history—no field of battle has been more fateful than that of Panipat—but in India the exploits of man count for little beside the operations of nature, and when battles are forgotten the memory of famine remains.

For centuries famine has dominated the tract, stamping itself on the life and even upon the speech of the people.

Famine Of the four districts with which we are concerned, Karnal is the only one that enjoys an ample rainfall. The other three are thankful if they get the 10 or 20 inches a year that meteorologists say is their due. I remember a year in Hissar when we had less than four inches, and a man could ride for 50 miles and see nothing greener than the poisonous *akk*. Men still talk of the

great *Chalisa* famine of 1783, which, like the recent famine on the Volga, swept away whole villages. 'The shop-keeper hid in his house and the child wept over its meals,' is a popular saying of a famine 50 years later. 'Two only,' it was said, 'have survived, the trader and the butcher, the one by using his scales, the other by using his knife.' Never is the butcher busier than when the rain fails, as anyone knows who has seen village after village strewn with the bones and carcasses of starving cattle slaughtered for their hides. At such a time fodder is so scarce, that any bit of scrub that cattle will eat is guarded as jealously as if it were a valuable crop of sugar-cane. Every tree, too, is lopped to the bark, and there is no more desolating sight than to see the long roadside avenues raising flayed, twisted arms to a pitiless sky. After a bad famine there are villages where not a cow, buffalo or calf is to be seen. In 1869, 300,000 cattle perished in the single district of Hissar,¹ and a few years later Rohtak lost 37 per cent. of its stock. 'An ox,' it was said, 'sold for a piece of bread, and a camel for a farthing. The carts, too, were idle, for the oxen were dead, and the bride went to the bridegroom's house with rites half done.' Nor does famine come only once or twice in a generation. Not long ago in Rohtak there were three in a decade (1896-1905). 'In the first year stores were exhausted; in the second seed would not germinate; in the third there was no money left for a wedding; in the fourth everything went. The fifth started well, but cholera came, and belly and mouth were emptied.'² But things are no longer as bad as they were. If English rule has achieved nothing else, it has at least laid the spectres of famine and war. In this tract, thanks to the Western Jumna Canal, famine no longer finds the people entirely at its mercy; and where the sacred waters of the Jumna cannot penetrate, the railway brings relief. Food can be poured in from more prosperous areas, and, if there is no money to give in exchange, it can

¹ In 1866 England was ravaged by rinderpest: yet in the whole country the total loss of cattle was only 209,332 (Curtler, op. cit., p. 289).

² For this and the other sayings quoted, see the *Rohtak Gazetteer*.

be earned on relief works; or, at the cost of a modest ticket, work can be sought in towns where labour is always in demand. Man at least need no longer starve. The problem now is to save his beast.

It must not, however, be supposed that all years are lean and that life contains little but famine and drought. As

*The Bumper
Harvest*

everywhere else, sooner or later comes the bumper harvest, and here its effects are more lasting than in many more favoured districts. This is due to the fact that by a merciful provision of nature population is not excessive. In Sirsa (Hissar), which is perhaps the most insecure tehsil in the province, there are only 135 people to the cultivated square mile. Compare this with the tehsil of Hoshiarpur, where there are 960, or with Jullundur tehsil, where there are 851. Taking matured area alone, Rohtak and Hissar have both a density of less than 500 (the provincial average is 513), and in Hissar the density (306) is lower than anywhere else. This, of course, means large holdings, so much so that in Sirsa the average cultivated holding is 60 acres, a figure that is only exceeded in the adjoining tehsil of Fazilka (Ferozepore). The result of this is that a good harvest is followed by an immense export, the outward and visible signs of which are endless strings of camels passing in and out of the local *mandis*,¹ and goods stations congested with well-piled bags of grain. This is a pleasant contrast to the conditions described in the last paragraph, and in a district like Hissar, where 84 per cent. of the crops depend entirely upon rain, it is a contrast that has to be seen to be fully realized. Travelling from Rewari (Gurgaon) to Bhatinda in a year of drought, hardly a green thing will be seen for 200 miles, and the traveller is half suffocated by the dust and sand of what appears an eternal desert. Yet a year later this same desert may present an almost unbroken stretch of green, and the country that a few months back was all dust and sand may be all gram, barley and wheat. After such a harvest, whatever happens, there need be no anxious thought for the morrow for at least

¹ Grain markets.

a year, and it is only if the next two harvests fail that trouble begins again. There are, therefore, two sides to the picture, and both must be kept in view if we are to form an accurate estimate of the economic conditions of the tract.

On the whole, though, hardship prevails, for the bumper harvest cannot be expected more than once in five years, and before it comes three or four harvests may fail in succession. *The People* The shadow of drought is always there, and life is more a struggle with nature than an enjoyment of her bounty. This struggle is reflected in the character of the Jat, who, as in the central Punjab, is the predominant tribe of the tract. Nowhere is he more unflagging in his industry or tougher in his endurance. 'From the time he is old enough to wear a piece of string round his middle and drive the cattle to the field, until he is too old to do more than sit in the sunshine and weave a hemp rope, his life,' says the last settlement officer, 'is one of unceasing toil, borne patiently and without complaint.'¹ The Jat's power of weathering a storm is extraordinary, but this is not the case with every tribe, for, as the same writer says, 'the first breath of the storm that bends the Jat breaks the Rajput'. The Meos, too, of Gurgaon are notoriously lazy and thriftless. The Ahirs, on the other hand, in the same district surpass even the Jats in industry, frugality and skill. One explanation of these violent contrasts in character is that adversity either strengthens or weakens. The Ahir and the Jat are instances of the one, the Meo and the Rajput of the other.

One more characteristic of the people must be noted. They lack the spirit of enterprise which marks the Punjabi further north. In Rohtak, it is true, soldiering is almost as popular as in Rawalpindi and Jhelum, but elsewhere there is marked reluctance to leave the village, and it requires the irresistible pressure of drought to drive most people no further afield than the canal colonies. This, no doubt, is due to a combination of primitive conditions and poor communications. We shall find the same characteristic in the even more primitive west, and in both areas it is a serious handicap to the peasant proprietor.

¹ *Rohtak Tehsil A.R.*

The general features of the tract have now been described, and it is evident that it differs materially both from the *Extent of Debt* north and the centre of the province. Nowhere in the latter is drought so overwhelming as in Rohtak, Gurgaon and Hissar; nor on the whole are men so enterprising as in the north. We should, therefore, expect debt to be higher than in both areas. This, however, is only partially the case, as the following figures show:—

District.	No. of proprietors	Percentage entirely free of debt	Average debt per indebted proprietor	Debt's multiple of land revenue
Rohtak ..	4,077	23	Rs. 472	17
Karnal ..	2,168	6	346	18

It will be seen that debt in Rohtak and Karnal is 17 to 18 times the land revenue, which is much the same as in Attock (see p. 88), a district which, with its primitive conditions and general insecurity, is not unlike those in this area. The point is not without importance, as we shall see in a moment. No figures are given for Gurgaon and Hissar, for, at the time that my enquiry was made, there were few if any co-operative societies in the former, and none in four out of the five tehsils of the latter. Fortunately, however, we have the figures of the official enquiry. Treating the latter precisely as was done in the case of the north, we get the following results:—

TOTAL DEBT¹

District	In lakhs	As a multiple of land revenue	Per cultivated acre	Per head of the rural population
			Rs.	Rs.
Gurgaon.. ..	300	19	30	48
Rohtak	274	17	25	39
Hissar	157	15	6	22
Karnal	143	11	14	19
<i>Average</i> ..	..	15	15	31

¹ As in the case of the northern districts, to obtain total debt from the official enquiry, mortgage debt has been assumed to be 50 per cent. of the whole. My enquiry, however, gave a percentage of only 29. It is doubtful,

The first point to notice is that, so far as Rohtak is concerned, the two enquiries agree. In both cases debt is 17 times the land revenue. On the other hand, in Karnal there is divergence, the official enquiry for the first time giving the lower multiple of the two. If this is correct, which may perhaps be doubted,¹ it merely serves to emphasize the fact that conditions in Karnal are much more favourable than in the other three districts. Enjoying an ample rainfall and tolerably well protected by canal and well, it is far more secure than its less fortunate neighbours, and, though it belongs geographically to the tract, its economic position is radically different. Accordingly, to avoid possible confusion, I propose to exclude it from further consideration. In the remaining three districts debt varies between 15 and 19 times the land revenue. This is much higher than in Rawalpindi and Jhelum, but it is much the same as in Attock. The latter is not a mere coincidence. All four districts have one thing in common—grave insecurity of harvest;² and where this is the case debt is almost invariably high.³

Insecurity of harvest is the dominant feature of the tract, and in a sense it may be said to be the dominant feature of India itself. There is no other great country in the world, except China, where agriculture is almost entirely dependent

therefore, whether the actual percentage can be higher than 40. In that case, total debt will be 25 per cent. higher than the figures given above.

¹ The reason for doubting it is that a multiple of 11 is unusually low, and such general enquiries as I have been able to make suggest that debt in Karnal is considerable. If, however, the multiple is correct, it is probably due to a great increase in cultivation (12 per cent. between the last two settlements) coinciding with a fall of nearly 10 per cent. in the population between 1901 and 1911.

	Irrigated area (percentage)		Rainfall
* Karnal	..	36	30
Rohtak	..	27	20
Gurgaon	..	17	25
Hissar	..	16	16
Attock	..	9	20

(See *Census Report*, 1921, p. 34.)

² Jhelum appears to be an exception, due probably to its love of soldiering, which provides it with a second string to its bow.

upon a single phenomenon of nature. As everyone knows, the Indian harvest is a gamble on the monsoon, and the monsoon has all the caprice of the proverbial Eastern potentate. More than anything else this element differentiates agriculture in India from agriculture in the West, and when the two are compared the fact should not be forgotten. No business—and agriculture is the main business of India—can thrive when conditions are insecure. Europe has recently re-discovered this fact to her cost, and in the Punjab the riverain areas described in the last chapter are a case in point. Their motto, 'Rich to-day, a beggar to-morrow', might almost be applied to a good part of the south. It is only where cultivation is protected by canal or well that this is not the case. Elsewhere, insecurity dominates everything and profoundly affects the life of the people. Evidence of this may be cited from all parts of the Punjab. In Jhelum in 1921 the drought was so bad that some villages were almost emptied of their inhabitants, and between 15 and 20 per cent. of the rural population left the district in search of labour and food.¹ From Attock, further north, cattle were taken to the Chenab, nearly 200 miles to the south; while, at the other end of the province, in Sirsa, the failure of five out of six harvests (1919-21) reduced cattle by 40 per cent.² The dearth of fodder was so great that wheat straw, usually eight annas a maund, sold at four rupees. Even the sub-montane districts with their abundant rainfall are not entirely secure, as is shown by the following note taken from the inspection book of a village bank in Gurdaspur. 'Scarcity of fodder', the inspector wrote, 'is deeply affecting the condition of members. They lost heavily in the death of cattle last winter. Four were deprived of their total cattle heads: but one bullock was left to pull their ploughs. Untimely rains in October last prevented any sowing of wheat. Lands, being low, stood under water till the sowing season was over.' This is the other side of the monsoon. It may bring drought or flood. Every year in some part

¹ The deputy commissioner estimates that from 70,000 to 100,000 left the district. ² Settlement officer's estimate.

of India there is one or the other, and for cattle the only difference lies between a violent and a lingering death.

Where these visitations constantly occur there can be no escape from debt. In Mianwali there is an expressive saying: 'The crop was sown for food, but it has eaten me up', meaning that the net result of the year was a debt for seed that never matured.

*Its Effect upon
Debt*

In Gurgaon, mainly as the result of famine, the area under mortgage once rose in 18 months from six to 10½ per cent. of the district.¹ In Attock the Awans, one of the most important tribes in the district, are described as being neither lazy nor extravagant, but simply unfortunate. 'They are in debt because no peasant proprietary can expect to keep out of debt in a tract where good years are few and bad years many, where there are no extraneous sources of income, and where the cattle and the children have to be fed in good and bad years alike.'² Word for word, this might be applied to the large unirrigated tracts of Gurgaon and Hissar. In these districts extraneous sources of income are few, and not more than one good year can be expected in a cycle of five, and probably two will be bad. And what a bad year means may be gathered from the following case, the facts of which were obtained from the owner himself, a Government official. Every year he requires 100 maunds of grain to feed household and cattle. In 1921 his 22 acres produced only 45 maunds, and the balance had to be bought at eight or ten rupees a maund. The fodder supply, too, was exhausted by November, and Rs. 250 had to be spent in keeping his buffalo, cow and two bullocks alive till the following harvest. In all seven or eight hundred rupees had to be found to pull everyone through. And this was for one year alone. There is nothing sensational, or even exceptional, about this case, except that the owner, being a Government official, was not entirely dependent upon his land. But for this a large loan would have been inevitable, and no doubt

¹ *Gurgaon Gaz.*, 1910, p. 104. In the 30 years, 1879-1909, owing to a cycle of famines, the mortgaged area in Rohtak more than doubled (*S.R.*, 1910).

² *Attock Gaz.*, p. 67.

that is what happens in nine cases out of ten. In this way the drought of the last two years has greatly increased the burden of debt, and it is one reason why in many districts the rates of interest have almost doubled. But for the large sums of unspent pay brought back from the War by a host of demobilized soldiers, some parts of the Punjab would have been in the worst possible case. In Sirsa, for instance, many ex-soldiers paid their way for a time by pawning or selling the jewellery bought on their return home before the drought began; and it is said that, when it was at its worst, Rs. 20,000 worth of necklaces, bangles and the like came daily into the Sirsa bazaars for pawn or sale.

In a highly irrigated province like the Punjab, two sides of which border on the desert, grave insecurity is mainly confined to the outlying districts. The central Punjab is sufficiently protected by canal and well not to feel the worst effects of drought, and in districts like Ludhiana and Jullundur the industrious and thrifty can keep clear of serious debt.¹ It is curious then to find, as the following figures show, that debt is heavier in the centre than in the south of the province:—

	Debt's multi- ple of the land revenue	Debt per cultivated acre	Debt per head of the rural population
		Rs.	Rs.
Central Punjab (7 districts) ²	22	36	51
Southern Punjab (4 ")	15	15	31

Three measures of incidence are given, and whichever we take the result is much the same. It is true that something must be discounted in the case of debt per cultivated acre, as over half the cultivated area in the central districts is irrigated, against barely a quarter in the southern. But even allowing for this, it is clear that the incidence per acre is heavier in the former than in the latter; and broadly it

¹ In Ludhiana it has been found that a series of bad harvests has little effect upon the area under mortgage (*Jagraon A.R.*, 1910, p. 11).

² See p. 79.

may be stated that debt is 50 per cent. heavier between the Jhelum and the Sutlej than between Bikaner and the Jumna.

At first sight we should have expected the precise contrary. In the south the people are more backward, communications and markets comparatively undeveloped, and harvests insecure. Paradoxical as it sounds, it is this very insecurity that accounts for the difference. And here we must distinguish between the causes that *make* a man borrow and those which *enable* him to do so, between those which drive a borrower to the money-lender and those which take the money-lender to the borrower. So far we have dealt entirely with the former, as they are the primary causes of debt. The latter, however, are only less important as they determine its volume. They will be discussed later, and for the present it is sufficient to say that the ordinary peasant proprietor borrows not as he needs but as he can, and that therefore the greater his security the larger his debt. Now there is no comparison between the security offered by the rich irrigated land of a district like Amritsar and the undulating sand-dunes of Sirsa. In the one case land often fetches Rs. 500 an acre, in the other barely fifty. In the one, too, as often as not, there will be two harvests a year, in the other two years with no harvest at all. Can we wonder, then, that in Amritsar the money-lender almost woos the cultivator for his custom, and that in Sirsa and in every unprotected tract he is often deaf to all entreaty? In 1921 many found that their credit was exhausted and that they could borrow no more. It is true, of course, that while land in Amritsar is ten times as valuable as land in Sirsa, holdings in the latter are ten times as large, and that, therefore, so far as security is concerned, there should not be much to choose between the landlord of the one and the peasant proprietor of the other. But even so, less can be borrowed in Sirsa than in Amritsar, as the money-lender naturally lends with caution when for two or three years he may not get even a cowrie of interest; and if harvest after harvest fails, there comes a time when there is nothing left to advance. This is what happened in Sirsa in 1921. Money-lending came to a partial standstill,

because money as well as credit was exhausted. In a district like Amritsar this is impossible, for harvests follow each other so fast that money-bags empty and fill like buckets in a well. In one respect Sirsa is peculiar, for, as noted above, its holdings are larger than almost anywhere else in the Punjab. If, in spite of this, credit is contracted, things will be worse in districts like Gurgaon and Rohtak, where the average holding is ten acres or less. Rohtak is a very good example of the tendency, for one of its four tehsils, Jhajjar, is almost as insecure as Sirsa, and another, Gohana, is heavily irrigated. The one is undoubtedly poor, the other obviously rich. Yet in Jhajjar debt is only 9 times the land revenue, while in Gohana the multiple is 14. In Rohtak tehsil, which is also well irrigated, it is actually 22.¹ As in Amritsar and in Ferozepore, the canal has enormously increased the value of the land, and made borrowing the easiest thing in the world for a type of man who is only too apt to meet every want with a loan. 'Over and over again', writes the settlement officer of Gohana, 'the richest and the best irrigated villages will be found to be the most heavily indebted.'² If, then, insecurity of harvest is a basic cause of debt, by restricting credit it also tends to keep it within reasonable bounds.

In another way, too, insecurity restricts debt. The dire necessities of famine will teach a man thrift quicker than anything else. Once he has seen all his cattle die and the village deserted for lack of food, he will think twice before he squanders the plenty of a good harvest. In Sirsa, where only five per cent. of the cultivated area is irrigated and where on the average 19 per cent. of the crops fail, no one except those who live along the Ghaggar will store less than a year's supply of grain, and all who can, store twice and even thrice this amount. Similarly, throughout Hissar, all along the edge of the Bikaner border, and in Rewari, on the edge of Rajputana, fodder will be stacked for years. The same is

¹ Percentage of total area irrigated: Gohana, 37·4; Rohtak, 28·6; Jhajjar, 9. ² *Gohana A.R.*, 1907, p. 12.

true of Jhajjar, and it is another reason why that tehsil is less indebted than Gohana. In the former the cultivator, forced to depend upon himself, eats little but millet or barley and is always at work, and when, owing to drought, there is no work to be done, he goes off with his cart to Meerut and Delhi. On the other hand, in Gohana he depends upon the canal, and, if he gets into difficulties, he goes to the money-lender, who is only too glad to lend on the security of valuable irrigated land.

In even greater contrast are the Ahirs and Meos of Gurgaon. The Ahirs are as industrious and frugal, and the Meos as careless and thriftless, a set of cultivators as can be found in the province. Again, a reason is that the former have to depend entirely upon themselves, while the latter are favoured by nature. 'The sandy soil of Rewari', says the local *Gazetteer* (p. 102), 'produces enough to keep the thrifty Ahirs in comfort, while the comparatively rich soil of the Firozpur valley is heavily mortgaged to meet the extravagance of the thriftless Meos.' Living on the borders of Rajputana, where everything is as dry as a bone, the Ahirs, by unremitting toil and great frugality, have wrested from the soil enough to keep themselves and their lands from debt. But the Meos, 'without the excuse of a barren soil, live so closely to their income, are so negligent in developing the resources of their land, and indulge in such unwarranted expenditure, that the failure of one harvest plunges them inevitably into debt' (p. 100). 'How to characterize them as cultivators I hardly know', exclaims a former deputy commissioner of Gurgaon; and even now, though co-operation is planted amongst them, almost every Meo is still in the hands of the money-lender. There are consequently few parts of the province where the latter is more powerful, and where all the old-fashioned devices of the village usurer show less sign of decay. Habitually charging from 50 to 75 per cent. and swooping down each harvest upon the threshing floor, the money-lender carries off all but the barest means of subsistence. It is quite possible that less has been

advanced to the Meo than to the Ahir, but, with compound interest ever piling up unpaid debt, the Meo's burden is infinitely greater, and in the two tehsils where they predominate (Nuh and Ferozpur) debt is 30 times the land revenue, while in Rewari, the country of the Ahirs, the multiple is only six. Much of this debt, no doubt, will never be repaid, but the money-lender's *quid pro quo* is that, without the trouble of ownership, he enjoys all the fruits of the land.

But the contrast between Meo and Ahir is too great to be explained by the single reason that the former has been blessed by nature and the latter cursed. The difference goes deeper than that. Allied in race to the aboriginal Meenas of Rajputana, they have not inherited the qualities developed by the Ahir in his long, patient struggle with the sands of Rewari. The restless life of the camp and the jungle has always appealed to them more than the settled life of the farm and the village; and in the days of the Moghul the constant feuds of their different clans and the proximity of Delhi, with its crowd of adventurers and demand for soldiers, did nothing to mitigate their lawless instincts. Forgetting, too, their humble origin, they modelled themselves upon the Rajput instead of the Jat. The Jat could at least have taught them to cultivate, but the Rajput with his extravagant ways and contempt for the plough, merely confirmed them in inherited habit. Such blessings, therefore, as nature has given them, instead of being an advantage, have only served to make them attractive to the money-lender who has now the whole tribe in fee. Far better would it have been, both for them and the soil, had they been compelled like the Ahirs to work hard for their living; for in a hot climate some powerful stimulus is needed to make men work, and it is often where conditions are hardest that men do best, a tendency that is reflected in the local saying, that the more land a man has the less it produces.

To sum up, two main facts emerge from this chapter. One is by now familiar, namely, that the peasant proprietor,

Summary however small his holding, can only keep out of serious debt if he is unflagging in

industry or has some subsidiary means of subsistence, which in the Punjab means service as soldier, carter or cooly, or emigration abroad. This conclusion, to which we had already been led in considering Hoshiarpur and Jullundur, is clinched by the example of the peasants of Rawalpindi, the Pathans of the Chhach and the Ahirs of Gurgaon. Secondly, where insecurity is great, debt will almost always be heavy. Two things, however, tend to keep it in check: thrift and the contraction of credit. Both are due to the recurrence of famine, for the cultivator learns from bitter experience that if he does not store what he can in a good year, his cattle at least will die in a bad; and the money-lender knows that when three or four harvests may fail in succession, money must be lent with caution. The contrary tendency is seen in the irrigated areas of the tract, where, so far as debt is concerned, inflation of credit may be more of a danger than insecurity. In parts of Rohtak and Gurgaon this inflation is probably the most important cause of debt. Throughout the south, too, though not in the north, expenditure upon marriages is almost as great as in the central Punjab; and upon funerals it is greater. Amongst the Bagri Jats of Hissar, nothing is thought of spending several thousand rupees in this way. But, though other causes are at work, the root cause of debt is insecurity. In the tract which we are about to enter this is also the case, but with a subtle difference. In the south insecurity is more allied to famine than to plenty; in the west it is the other way round. In both the harvest is a gamble in rain, but in the south the gambler loses more often than he wins, while in the west, aided by the canal, he wins more often than he loses. This condition, as we shall see, is the more demoralizing of the two, for the reaction of the former is thrift and of the latter improvidence.

CHAPTER VI

THE WESTERN PUNJAB

THE PEASANT PROPRIETOR IN *EXTREMIS*

CROSSING now to the west of the province, we enter a tract that is so distinct from the rest of the Punjab, and for the most part so deeply involved, that it requires a chapter to itself. It includes four districts, three of which, Mianwali, Muzaffargarh and Dera Ghazi Khan, lie along the valley of the Indus, and one, Multan, between the Chenab and the Sutlej.¹ Across the Sutlej lie the wastes of Bahawalpur and Bikaner, and to the west, not far beyond the Indus, rise the barren hills of Solomon, which here divide India from Afghanistan. To the south lies the province of Sind, and just before it begins the Indus swallows in a mighty gulp all the waters of the Punjab. Only one of the four districts, Dera Ghazi Khan, lies between the Indus and the hills, and there we find the clans of Baluchistan spreading from their rocky fastnesses into the plains. Their organization is a cross between that of the Jews in the days of Deuteronomy—they are one of the many representatives of the lost tribes—and that of the Highlands after the Union. Each clan has its *tumandar*, or chief, and but small allegiance is owed to anyone else. Elsewhere tribal ties hardly exist, and the great mass of the people, Jats, Seyyads and Pathans—90 per cent. are Muhammadan—have few ties beyond the well by which they live and the local squire and *pir*² whose word is law. Villages in the ordinary sense are few and far between. The country is covered with little hamlets of four or five families clustering round a well, which is often but an oasis in the desert. In the summer the tract is the hottest in the Punjab, which means that it is probably the hottest in the world, and nowhere do men say with greater feeling, 'At morn, would God it were

¹ For map see p. 23.

² Religious leader.

even; at even, would God it were morn.' Only in one district (Mianwali) does the rainfall touch ten inches, and in the others it is barely five or six. So valuable, indeed, is water that property in it arose before property in land. The whole face of the country speaks of hot winds and blazing suns. The groves and pleasant places of the central Punjab are hardly known. Man and beast must seek their shade under the shrivelled *jand* or *jal*, and the date palm alone recalls the beneficence of Providence. At the foot of the hills and in the Thal, the old high bed of the Indus, there are wide spaces as desolate as the Sahara. So scanty are the means of subsistence that, even including the towns, there are only 99 persons to the square mile, and in Mianwali there are only 66. Yet the amazing thing is that no people in the Punjab are less inclined to leave their homes. 'The Multani', says the local proverb, 'travels no further than the *Idgah*.' Living on his well, isolated from his fellows and invariably marrying the daughter of a neighbour, he sees nothing of any district but his own. He neither enlists nor emigrates, and, unless faced with starvation, will hardly move from one tehsil to another. In Rajanpur, on the borders of Sind, there is a shortage of tenants, but men will not go there from elsewhere, though it is all they can do to live. Flatly does this area contradict the old economic doctrine, that labour will always move where it is wanted. A settlement officer tells how, only a year or two ago, a camel man, whom he wished to engage for a fortnight's tour, burst into tears at the thought of leaving his home for so long. Even the better-to-do zemindars are said to be 'as bewildered and as unhappy in Lahore as a Highlander of the eighteenth century in London'.¹ Cut off from the rest of the world by desert and hill, the people are caged in their surroundings, and, like birds born in captivity, have no desire for anything else.²

How then do they live? The answer is, by the rivers and by the rivers alone. But for them the whole tract would be

¹ *Multan Gaz.*, 1901, p. 107.

² In the last decade there has been a modest amount of migration to the canal colonies from Muzaffargarh (*Census Report*, 1921, p. 85).

*River, Canal
and Well*

a wilderness. Except in the north of Mianwali, dry cultivation is out of the question, and no man sows unless the river is there to help him, either with the spill of its flood or with its flow underground to his well. The face of the land is streaked with canals, which carry the summer flood of melted snow or monsoon rain all over the country. These inundation canals, as they are called, run only in the hot weather, and are far less certain than the perennial canals of the central Punjab, which flow with even speed and volume all the year round. If the winter snowfall of the distant hills is light or the hot weather sets in late, the river is slow to rise and the summer crop cannot be sown. Or, what is worse, the monsoon may abruptly end and the river sink before it has done its task. Then must the cultivator choose between losing what he has already sown or not sowing the winter wheat, the biggest crop of all, as there will not be enough water for both. Nor can these difficulties be avoided with the help of a well, for a well by itself is rarely sufficient to give a man enough to eat. Just as in the great well districts of Jullundur and Sialkot no one would think of sinking a well unless he could depend upon an ample supply of rain to mitigate the toil of his bullocks, so in this area few attempt to cultivate without the help of the river (or it may be the hill torrent), which plays exactly the same part as the rain elsewhere. Owing to the dearth of grazing, fodder has to be grown for the cattle, and when that has been done too little remains to make it worth while to spend four or five hundred rupees on sinking a well, unless the canal is there to enable a wider area to be sown. The welfare of the country, therefore, depends to a large extent upon the efficiency of its canals. But no control, however efficient, will secure the summer flood in time or prevent the river sinking too soon. Thus, the canal is only less uncertain than the rain, a point that those who only know the canal colonies may easily forget. At first sight, indeed, the network of canals makes it difficult to realize the great insecurity of the tract.

This insecurity dominates everything. Out of every

five years it is reckoned that at least two will be bad.

Insecurity Recently four out of eight consecutive harvests failed, and only one was tolerably good: drought followed by flood played havoc with the crops, and to crown all an epidemic of influenza carried off five per cent. of the people. The rainfall, scanty as it is, is at the bottom of this, for an inch or two in season may make all the difference to a crop sown with canal and well. Without it the outlying fields must wither, and if the canal has not run as it should the whole crop may be lost. Capricious everywhere, nature is here seen at her worst. A rainless year is apt to mean a deluge the next, as Tamerlane found in 1397, when he lost half his horses at the siege of Multan; and a deluge is generally followed by months of cloudless skies. Thus cultivation is a gamble which, as often as not, ends in the loss of half the crop. In the southern Punjab, where there is neither canal nor well, insecurity may be greater, but at least without rain nothing can be sown, and where nothing can be sown nothing can be lost. But in this area (outside the Thal) a crop can almost always be sown and almost always be lost; and what this means to cultivators who are always in debt can easily be imagined. It would matter less if in a good year store were laid by for a bad, but an incurable thriftlessness prevents this ever being done.

Nowhere in the Punjab are the people more thriftless. What the settlement officer of Muzaffargarh wrote nearly 50 years ago is still substantially true. *History of the Tract* 'It is contrary to their habits', he says, 'to keep ready money by them. If a man makes a few more hundred rupees than his expenses, he will not keep any part of it for a bad year. He at once buys more land or more bullocks, or more ornaments for his wife. He will do anything rather than keep the cash.' The reasons for this go deep into the past. After being, 1,000 years ago, the outpost of Western Islam against Eastern paganism, Multan became 400 years later the outpost of Indian Muhammadanism against the barbaric hordes which swept down upon India under Jenghiz Khan and Tamerlane. Lying on the high road from

Central Asia to Delhi, the tract was a prey to every invader, and insecurity of life and possession was added to insecurity of harvest. For 300 years it 'bore the brunt of the great racial disturbances' caused by the volcanic upheavals of Central Asia. Tribal ties were broken up and replaced by the 'colluvies gentium', the heterogeneous mass of to-day. With the advent of Baber, the Khyber became the popular route into India, and with the change in the course of the Sutlej and the Ghaggar the road to Delhi *via* Multan and Bhatinda became too dry for large armies to use, and the road through Lahore was taken instead. Incessant raids then gave place to an isolation which lasted till the days of Ranjit Singh and his great Governor, Diwan Sawan Mal (1821-44). The latter was the first man in the history of the country to attempt any systematic development. This was not due to any unusual trait of benevolence in his despotism, but to a consuming desire to accumulate wealth for himself and to his being shrewd enough to see that this could be done only by making the people work and by developing the country. The canals were cleared out, wells were sunk with Government loans, and the Hindu of the town who wanted an investment for his money was given uncultivated land to reclaim. The good cultivators were rewarded and the lazy punished, and all were kept in a state of tutelage. 'The Government *kardars*', we read, 'did everything for them, made them cultivate the land, made the Hindus lend them money and seed, and made the borrowers repay. If one man did not cultivate his land, it was taken from him and given to another.'¹ But the habits of generations cannot be changed in a day, nor is the not too fatherly rod of the low-paid Government official the best teacher of thrift. During the ten or twenty years of his rule Sawan Mal undoubtedly secured the contentment of the people, and made his province produce more, both for Government and himself—he accumulated over a million sterling—than it had ever done before. But when the *Pax Britannica* came and the people were again allowed to do as they liked, the habits born of centuries of insecurity and ignorance asserted them-

¹ *Muzaffargarh Gaz.*, 1883, p. 85.

selves, and the new wealth, that came with road and rail and with the right to dispose of their land as they pleased, was quickly spent, a process that the astute Hindu, brought in by Sawan Mal, naturally did nothing to retard.

So much for the history of the people, and in a lesser degree it is typical of the whole Punjab, lying as the province

Thriftness does at the foot of the passes through which invader after invader has poured into India.

But the people are not quite like the rest of the Punjab. For generations ties were with Sind rather than with the land of the five rivers. This is reflected in the language and features of the people. When the road to Delhi was closed, the Indus became their only highway, as it must have been when Alexander sailed down it to the sea. And, in the old days, along the Indus, as along every other river in the Punjab, the grazier and shepherd prevailed. In many parts of the Thal he still prevails, and even Rajanpur is little more than a stock ranch. The true Baloch is still at his happiest under a *jal* tree, with goat and sheep grazing around him, and everywhere men tend to think more of their cattle than of their crops. These are not the people who take thought for the morrow. In the southern Punjab, as we saw in the last chapter, famine has compelled a certain measure of thrift; but in the west there is always something to live on, for the canal will never entirely fail nor will the well quite run dry; by a kindly Providence, too, the dryer the year the better the dates, a point of some importance where for four months of the year dates are the staple food of the people. Thus, though on the average 20 to 25 per cent. of the crops fail every year, famine, with its powerful incentive to thrift, is unknown.

On the other hand, the river, with its equally strong incentive to the contrary, is everywhere. 'The Indus', says the local proverb, 'takes away gold and leaves tin; the Chenab takes away tin and leaves gold.'¹ This is typical of

¹ *Darya Sind sona leve te kalai deve,
Darya Chenab kalai leve te sona deve.*

Since the construction of the great canals further north, which have diminished both flood and silt, the Chenab is losing its reputation, and is now said to be little better than the Indus.

the gamble that every Punjab river brings in its train. And here there are three, the Indus, the Chenab and the Sutlej. 'Even when the rivers are on their best behaviour', remarks a settlement officer, 'they deprive a fourth of the population during four months of the means of following their only pursuit, agriculture. . . . But the rivers do not always behave well; they burst *bunds*, carry away houses and stacks of corn, breach roads and blow up bridges, fill canals with mud, throw down Government buildings, and even drown the semi-aquatic cattle.'¹ In its summer flood the Indus will be nine miles wide, and so powerful is it for good or ill that there is a separate priesthood, curiously not of Brahmans, to maintain its worship. The *Thakar Kirars*, as they are called, see to it that in due season the little lamp made of flour is placed upon a raft of reeds, and launched forth with flickering light upon the mighty stream. We saw in the last chapter but one how improvident are those who live in the *Bet*, and the tract is no exception. Even where, as at the foot of the hills, the river is replaced by the torrent, the effect is the same, for the hill torrent is just as uncertain as the river, and where there is uncertainty cultivation will be poor and thrift at a discount.² It cannot be too forcibly stated that without security agriculture cannot develop; and it makes little difference whether this insecurity is climatic, economic or political.

Three human factors must now be considered, the landlord, *pir* and *kirar*. The Punjab is a province of small proprietors, but all down the Indus—another point which differentiates this tract from the rest of the province—the large landlord is common. What proportion he forms of the whole it is impossible to judge, as official statistics are silent on the subject; but at a guess about 40 per cent. of the cultivated area is in the hands of men who own over 50 acres.³ How this arose it is difficult

¹ *Muzaffargarh S.R.*, 1873-80, p. 8.

² 'The people are not bad cultivators, but are hopelessly handicapped by uncertainty of water' (settlement officer, Muzaffargarh, 1923).

³ The following figures give some indication of the position in two of our four districts :—

to say; but marches all the world over are held in large estates, for not only is border land never in great demand, but positions of danger require the leadership and protection of the strong. East Prussia and Rumania are good instances of this. In this case, too, there is great insecurity of harvest, and a man must have plenty of land to stand the lean years of drought. Some think the landlord system doomed, and in eastern and central Europe every effort is being made to abolish it by splitting up large estates into small. If, as in England and Scotland, the landlord stood for progress and *noblesse oblige*, this policy would have little to recommend it, especially in a tract that is radically insecure. In times of scarcity the cultivator of a few acres is all the better for having a man of substance behind him. But where, as in the Indus valley, the ordinary landlord is in debt and cares only for his rents and his sport, tenant and peasant proprietor fare equally ill. If the tenant is not rack-rented, it is because he is comparatively scarce. Here is a vivid description of the Alipur tehsil of Muzaffargarh, given me by one who knows the people well:—

‘Every five miles or so is the house of a tribal or religious leader, who maintains a band of retainers to enforce his influence on his poorer neighbours, and to conduct his feuds with his equals. The poor man pays blackmail for his

Tehsil		Percentage of cultivated land in the hands of owners of over 50 acres	
Dera Ghazi Khan	.. ..	50	(39 per cent is in the hands of owners of over 80 acres)
Jampur	.. ..	44	
Rajanpur	.. ..	58	
Sinahwan (see <i>Assessment Report</i> , 1900, p. 94)	.. ..	40	

The figures for Dera Ghazi Khan are only approximate, and have been worked out from the assessment reports (pp. 10, 13 and 15 respectively) with the help of the last settlement officer of the district. In Multan, where large holdings are common, the percentage is probably well over 50. At the same time, with the exception of Multan, those who own over 50 acres are probably less than five per cent. of the whole. In Jampur, for instance, they constitute barely four per cent., and in Sinahwan in 1900 the percentage was only 1·3.

cattle to these local chieftains and for his soul to his *pir*, who may or may not live in the neighbourhood, but visits his followers yearly to receive his dues. As would be expected, the bulk of the land is held by the rich men, who are increasing their possessions. Peasant proprietors exist on the outskirts of the small towns: elsewhere the small lordless man cannot hold his own. If he attempted to do so, his cattle would be driven, his women folk carried off, himself *chalan*-ed (prosecuted) before an honorary magistrate on a charge of cattle theft, and in a short time he would be glad to hand over his land and secure protection on any terms. Society then in the main consists of the land-holding squires, whose local authority is only limited by their mutual jealousies, and of their retainers and tenants, who, holding no share in the land which they till, and knowing that an appearance of wealth will lead to exaction from their feudal or spiritual masters, are content to lead a hand-to-mouth existence.'

This description may not be true of Multan, where the landlords are showing some enterprise; but, discounting a little what is said about the *pir*, it applies well enough to Dera Ghazi Khan, where the Baloch chieftains occupy a position of unchallenged supremacy. There, with a few exceptions, the landlord's only idea of progress is to buy up the land of all who are obliged to sell. His maw is insatiable, and in the last 20 years, since the Land Alienation Act gave him his chance, he has sometimes doubled his acres. The tenant, too, is at the mercy of the local squire and his myrmidons. Owing to the general insecurity, nearly all payments and rents are in kind, and what this means may be illustrated by a *batai*, or division of a zemindar's produce, which a settlement officer recently witnessed in a village in Dera Ghazi Khan. It was an ordinary village, and not one in which the land revenue was assigned to the local Baloch chieftain in kind. The latter, however, had some interest in it, and after he and the village menials had taken their share, the following had to be satisfied: The money-lender, who wanted his dues for the year; the local shopkeeper, for the

goods supplied 'on tick'; another trader for the hire of the well gear, which there had been no money to buy; the village *mullah*, for his many calls to prayer; the local *faqir* for the glory of God; the landlord's agent, for the glory of man; the two village accountants (one was a canal *patwari*), for the glory of the *Sirkar*; the *lambardar's* assistant, for doing the *lambardar's* work; and finally, the canal *bhisty*, for watering trees. Something, too, had to be sent to the father of the girl betrothed to the zemindar's boy. When almost nothing remained, the zemindar was asked what was the good of it all. 'God has preserved my honour' (*Sain pat rakhi*), was the expressive reply, and upon this unimpaired credit and wasted store he doubtless continued to live for the rest of the year in love and charity with his neighbours, and with frequent doles from the *kirar*. No wonder the proverb says, 'Dividing a heap of corn is as bad as the judgment day'. This man, moreover, was a proprietor. A tenant fares even worse, for when occasion calls he has to lend his cattle to cultivate his landlord's fields; insecurity of tenure, too, is added to insecurity of crop. Worst of all is the landless labourer, who is the crux of every landlord system all the world over. In Muzaffargarh and Dera Ghazi Khan the common wage is still only four or five rupees a month, with a blanket and a pair of shoes thrown in at the end of the year; or, alternatively, he will be fed and get a rupee a month for everything else. The *pir's* exactions are less serious perhaps than those of the landlord, but they are the last straw upon the camel's back. 'This part of the Punjab', we read, 'is overrun by religious imposters of different kinds, and the agriculturists make them presents out of all proportion to their incomes, and vie with one another in the largeness of their gifts.'¹ Worst of all, both landlord and *pir* are instinctively opposed to the two movements from which the ordinary cultivator has most to hope. Neither education nor co-operation has their sympathy, and the reason is not far to seek, for both strike at the *ancien régime* which it is their one object to maintain.

¹ *Muzaffargarh Gaz.*, 1883, p. 83.

There remains the *kirar*, as the money-lender and trader of these parts is called. He will only be briefly dealt with here, as the money-lender of the province has a chapter to himself. He is only less dominant than landlord and *pir*, and is at once the curse and the salvation of the country; the curse for obvious reasons, and the salvation because he alone stands for capacity, intelligence and thrift. Moreover, in a tract where wells have to be sunk and drought has to be faced, he and his capital are indispensable; nor without him could people market their grain, as local markets hardly exist. He is often a landowner, not infrequently a cultivator, and, though it is fashionable to decry the non-agriculturist's control over the land, it has to be admitted that, in this part of the world at least, he is often an asset of importance. If cultivation is anywhere above the average, if fruit trees are growing along the watercourses, or if an experiment is being tried, it is ten to one that there is a *kirar* in the background directing and supervising the work. As a landlord he is often to be preferred to the Muhammadan squire, but as a money-lender he has all the vices of his trade. The only points in his favour are, that on the whole his relations with the countryside are not quite as bad as in some parts of the Punjab, and that he hales a client to court only when the case is extreme. This, however, means very little, for if his relations with his neighbours are outwardly no worse than they are, it is because both sides remember the events of 1915, when the people rose *en masse* and paid off accumulated scores in a thoroughly old-fashioned way. The *kirar* has learnt a little wisdom, and at the same time the people are sobered by the way in which their efforts were suppressed. If, too, the *kirar* is in no hurry to go to court, it is because the cultivator is his only investment. A man thinks twice before taking an only cow to the butcher, and in Mianwali, where the border spirit still prevails, the cow is sufficiently wild to be treated with respect. A *kirar*, therefore, will not sue a client as long as there is any hope of repayment, and it is only when he takes to evil courses and threatens to become a bad

investment, that he is put into court as a hint to him to mend his ways. Ordinarily, too, the *kirar* is allowed to take all he wants from the threshing floor, in return financing the cultivator throughout the year. Interest is nominally charged at 12 per cent., but no one thinks of paying it. Yet the *kirar* does well enough, as he is an adept at squeezing all he can out of his client. A man who borrows Rs. 100 will get only Rs. 96 or 97. The rest is deducted by way of preliminary discount (*chilkana*), nor does the cut ever appear in the books. This is followed by a bundle or two of straw in the summer, a dollop of milk at Dusehra, and a load of hay in the winter, all little extras to keep the *kirar* in a good temper. No one ever looks at the accounts, nor would the Muhammadan cultivator understand them if he did. Yet everyone, great and small, has an account with the *kirar*, and nearly everyone's account is overdrawn. The *kirar* is clever enough to see to that. 'The cultivator,' he says, 'like a wound, is best bound.'¹ In most cases he is triply bound—for landlord, *pir* and *kirar* each contribute their fetter. Nor, as long as he can fill his stomach and can get a modest loan for an occasional festival or marriage, does he make any effort to free himself from his bondage. Such is the banking system of the western Punjab, and the result is universal debt.

It is generally agreed that, outside Multan, almost everyone is in debt. But let it not be thought that this is a new phenomenon. 'I can count on my fingers', *Extent of Debt* wrote the settlement officer of Muzaffargarh in the seventies, 'the men who are free from debt.' Twenty years later the next settlement officer wrote that things had become worse, and that probably not more than five per cent. were free.² Of Mianwali, in the eighties, we read that 23 per cent. of the Muhammadan proprietors were either ruined or irretrievably involved.³ Conditions to-day are probably no better. The present settlement officer of Muzaffargarh says that 90 per cent. of the owners of the Muzaffargarh tehsil are

¹ *Jat te phat badha change.* ² *Sinahwan A.R.*, 1900, p. 95.

³ See Mr. Thorburn's *Settlement Report* of Bannu, which then included two-thirds of the present Mianwali district.

in debt; Isakhel, with a total debt of over 40 times the land revenue, is one of the most indebted tehsils in the province; and there are 3 more tehsils, Mianwali, Jampur, and Sanghar, in which the multiple is 30 or more. The figures given below, which are based on the official enquiry into mortgage debt, show the position in the tract as a whole :—

TOTAL DEBT¹

District	In la khs	As a multiple of the land revenue	Per cultivated acre	Per head of the rural population
			Rs.	Rs.
Mianwali ..	150	28	22	46
Muzaffargarh ..	191	22	26	35
Dera Ghazi Khan ..	168	22	13	40
Multan ..	200	8	17	25
<i>Average</i> ..	..	15	20	34

A glance at these figures will show that debt in the west is much heavier than in the north. In Multan, it is true, the land revenue multiple (8) is exactly the same as in Rawalpindi (p. 88), but, as we shall see in a moment, the district has certain advantages over its neighbours. In the other three districts debt is far heavier, and Attock, with a land revenue multiple of 18, is the only district in the north that can be compared with them. This link with Attock is not a mere accident, for the latter not only marches with Mianwali, but is agriculturally almost as insecure. In the last chapter the conclusion was reached that insecurity almost invariably means a heavy burden of debt. If the west

¹ Recent enquiries by the settlement officer of Muzaffargarh into the extent of debt in the Alipur tehsil give the following interesting results :—

(a) Proprietors' debt is 23 times the land revenue, or almost exactly the same multiple as that given above for the whole district.

(b) Mortgage debt is only 36 per cent. of the whole; to obtain total debt above it was assumed, as in the north and south of the province, that it was 50 per cent. of the whole, and the official mortgage debt was therefore doubled; the figure given in the text is thus probably an underestimate.

(c) Thirty-two per cent. of the owners are not in debt, but they are mostly *khirars*, who throughout the tract are little in debt. The proportion for tenants is 29 per cent., representing, the settlement officer says, those who cannot borrow for want of credit.

is compared with the south the conclusion is confirmed. Omitting Multan from the one and Karnal from the other—neither district is radically insecure—we have two groups of three districts for which the figures are as follows :—

	As a multiple of the land revenue	Per cultivated acre	Per head of the rural population
		Rs.—	Rs.—
West	25	21	39
South	17	15	36

In both areas debt is undoubtedly heavy, but it is decidedly heavier in the west than in the south. For this there are two reasons: firstly, the improvidence of the people; secondly, the smallness of their holdings. The general improvidence and the absence of any impulse to thrift in the west have already been sufficiently stressed, and there is no need to say anything further on the subject. We may, therefore, turn to the question of holdings, and we may approach it through the case of Multan, in which debt is surprisingly light.

At first sight there is little to differentiate Multan from the rest of the tract. The character of its people is not markedly different, and climate and rainfall are much the same. It has, however, certain advantages denied to its neighbours. In the first place, one of its five tehsils (Khanewal) is a young canal colony, and, as we shall see in the next chapter, there is nothing more prosperous than this. Debt is little more than half the land revenue, which means that there is virtually no debt at all. In two more tehsils (Kabirwala and Multan) the general insecurity is considerably mitigated by the semi-perennial Sidhnaï canal, with the result that debt in the former is only six times the land revenue. Secondly, all three tehsils have a first-rate market in the city and cantonment of Multan, with its 85,000 inhabitants. This is a factor of some importance, for my enquiry suggests that where markets are absent debt is usually high. Without the competition of a large number of purchasers the cultivator cannot obtain a fair price for his produce, and falls an easy prey to the local Bania. This is the case with most of this tract, but is far less so in Multan owing

to the size of its capital. Its railway communications, too, are comparatively good, whereas Dera Ghazi Khan has no railway at all. Moreover, the neighbourhood of a large town, though not always good for character, has a bracing effect upon the mind, which perhaps explains why the landlords of Multan, unlike those of the other three districts, show some feeling for progress. In this they have undoubtedly been stimulated by the large number of *kirars*, who were given land by Sawan Mal and who now hold a quarter of the cultivated area of the district, which is a larger proportion than anywhere else. But perhaps the most important factor of all is the number of large holdings in the district. Though in all four districts there are plenty of landlords, there are many more in Multan than elsewhere, so much so that broadly the district may be said to be one of landlords sprinkled with peasant proprietors, and the other three of peasant proprietors sprinkled with landlords. The importance of this lies in the fact that, in this area at least, the larger the holdings the lighter the debt. In Rajanpur, for instance, where holdings are twice as large as in any other tehsil of the district (Dera Ghazi Khan), debt is only four times the land revenue. In Kotadhu (Muzaffargarh) we find exactly the same multiple, for apparently the same reason. And so, too, with Multan, with its multiple of eight against well over 20 for the other three districts.

In the latter we see the small holder at his worst. This will be clear if we consider one tehsil in detail. This we are fortunately able to do, as, when Muzaffargarh
The Small Holder at his worst was settled about 20 years ago, a careful enquiry was made into the economic conditions of what is now the Kotadhu tehsil. It was calculated that a man with a wife and two children required a minimum of from 13 to 40 acres of *cropped* area to live on, according to where he lived. Forty acres, for instance, were required in the semi-desert Thal. Then it was found that, though about 40 per cent. of the cultivated area was in the hands of owners of over 50 acres, 87 per cent. of the owners cultivated less than 10 acres and 68 per cent. between 1 and 5. The

settlement officer, an Indian intimately acquainted with the people, reckoned that 92 per cent. of the owners in the tehsil could not make both ends meet. How then do they live? Some, he says, are able to make up the deficit in good years; many have cattle which bring a little grist to the mill; others (a good few, one may suppose) live below the average standard of living taken for calculating subsistence. Some, too, work as labourers or take land on rent. But he adds, 'It is clear that the majority of landowners have to work at a very small margin of profit; indeed, most of them have no margin at all, and so the smallest aberrations in the way of cattle disease, continued drought, or the like, throw them out of balance, and they are obliged to resort to the village money-lender for debt; and once they fall into his hands there is no getting out of it.'¹

The estimate that 92 per cent. of the owners of this tehsil cannot make both ends meet might be thought an exaggeration, or not to be characteristic of the district as a whole, but for recent enquiry. The present settlement officer estimates that only those who pay Rs. 25 or more of land revenue can maintain their families in any measure of decency and comfort, and his investigations show that in three out of the four tehsils of the district (no enquiries have yet been made in Leiah) not more than four per cent. are in this position. In the Muzaffargarh tehsil, deducting the area under fodder, he reckons that there are about two persons to the matured acre, the average yield of which is not more than nine maunds of wheat. In Alipur, where about three per cent. of the owners own half the tehsil, there is an average of only two acres each for the remaining 97 per cent., which means that in many cases the area owned is considerably less.¹ Mianwali is much the same, and in Isakhel, where debt

¹ *Sinanwan A.R.*, 1900, pp. 94-95. Compare the following from the *Bannu Settlement Report* of 1872-78 (p. 60): 'In the majority of cases when a peasant parts with his land . . . the reason is poverty caused . . . by the holding being economically too small to support the number of mouths dependent on it.'

¹ Total number of owners is 50,275, of whom 1,604 pay Rs. 25 or more of land revenue and own half the tehsil.

is over 40 times the land revenue, the area tilled by the owners themselves is little more than two acres per owner. In Dera Ghazi Khan the average is higher, but if we exclude Rajanpur and the large estates, things are little better. The universal debt in three out of our four districts is now sufficiently explained. The root of the evil is the same as in the central Punjab. Holdings are too small, and the evil is intensified by the insecurity of the harvest and the improvidence of the people. If anything further were needed to complete the ruin of the latter, it is the way holdings are split up. This, as we have seen, is bad enough in the central Punjab, but here it is if anything worse, for land is commonly owned in different wells, which are too far apart for a man to cultivate all that he owns himself. Land has therefore to be leased in one well and rented in another. There is a large estate in Dera Ghazi Khan, belonging to one of the Baloch chieftains, which is scattered over 76 different villages, and in 12 villages the amount owned is less than ten acres. For the large landlord with his ample resources this may not be serious, but for the man with only a few acres it may well be the last straw. Nowhere, in fact, in these three districts has he a chance. He is fighting a losing battle, and he knows it.

One thing alone might save him, and that is the spirit of enterprise that we found in the north. In Rawalpindi holdings are probably no larger than in Muzaffargarh, yet the peasant proprietor on the whole keeps out of serious debt. As we have seen, this is because he is prepared to turn his hand to anything, from soldiering to stoking. Not so in Muzaffargarh and Dera Ghazi Khan. There the peasant cannot bear to leave his home, and it is only when the money-lender will lend him no more that he reluctantly admits, as someone said to the writer, that 'it is better to labour than to starve ; so up goes the cooli's basket on to our white pugarees'. If debt is worst in Muzaffargarh, it is because the cooli's basket is the only resource, whereas in Mianwali men enlist and in Dera Ghazi Khan

*Importance of
Subsidiary
Means of Sub-
sistence.*

11 lakhs a year, or, 50 per cent. more than the whole land revenue of the district, are earned from the sale of *ghi* and the breeding of pony, camel, and bullock. This enquiry shows conclusively that in this country, as perhaps, indeed, in every country, without immense industry and thrift the holder of a few acres cannot live on his land alone. Either he must have a second string to his bow or he must fall into the 'strong toils' of the money-lender. The *kirar*, who is a landowner, is himself an example of this. He is rarely in debt, partly no doubt because he is industrious and thrifty, but even more because he has two strings to his bow—money-lending and trading.

For his want of enterprise and thrift and his reckless ways the cultivator has to pay dear. Nowhere in the Punjab is the standard of living so low as in Muzaffargarh and Dera Ghazi Khan. It is the standard of 50 years ago, when everyone, as a matter of course, wore the plain homespun *khaddar*, or country cloth, and gold ornaments were rare, and there was little to vary the daily diet of millet or wheat. Pulse is still a luxury, and turnip and onion the only vegetables that are common. For four months of the year people live mainly upon dates, and so poor are some that in years of scarcity the very date stones are ground into flour. Clothing is as simple and scanty as the food, and rarely has a man or a woman a change of clothes. In a recent epidemic of fever the inhabitants of the infected villages were strongly advised to wear clean clothes. 'But', they replied, 'we have only the clothes we have on our backs'; and this was said by the village headman as well as by the ordinary peasant. The following description of life in the Thal, which is said to be as true now as when it was written, 20 years ago, shows how primitive conditions are in part of the tract:—

'The prevailing note among the Thal people is their poverty—a poverty not only of resources, but also of enterprise and intelligence. A continual struggle with nature in her most niggard and capricious mood leaves them too exhausted for any other effort. They will not enlist or take any kind of

service, and admit their lack of enterprise with the excuse that they are "camel-hearted". There is, indeed, much in the comparison, for they have to undertake an immense amount of the dullest kind of labour on the poorest of diets and the meanest of rewards. The well-owner displays an industry far greater than his neighbour in the *Kachhi* (the riverain along the Indus), but the cost of his oxen, the scarcity of the rainfall, and the severity of the climate ensure him the poorest of results. He eats but little wheat or barley; for part of the year he and his family live on turnips and melons, and for the rest the supply of grain is eked out by wild fruits—the berries of the *jal*, the *jand* and the *ber*. The shepherd and the camel-grazier ask and enjoy still less. They exist almost entirely on the milk of their sheep or their camels, aided by such grain as they earn by work at harvest time in the *Kachhi*. They eat a good deal of meat, for . . . they never hesitate to use the knife on an animal dying of disease, be it bullock, goat or a camel.¹

It is only fair to add that nature, never entirely merciless, has given the people one compensation for their poverty, namely, health. The age of the men and the strength of the women are said to be 'a byword in the district'. Conditions in the Thal may be worse than anywhere else, but throughout Muzaffargarh and Dera Ghazi Khan there is much grinding poverty. An official of Dera Ghazi Khan tells how one evening he met an agricultural labourer going home with a quantity of unripe peas wrapped in the folds of his shirt. This, he explained, was the family dinner, and, what is more, he admitted that it was stolen. 'A man must live', he said, and in this case he had to support mother, wife and child on the usual wage of Rs. 4 a month, and his only asset, apart from his labour, was a two-leg share of a bullock. No wonder that when I asked a crowd of villagers in Muzaffargarh whether they ate meat, there was a chorus of '*tobas*' at the absurdity of the question. Even at weddings, entertainment does not commonly go beyond rice and a goat. The sweetmeat, so dear to the cultivator elsewhere, is conspicuous by its absence.

¹ See *Mianwali Gaz.*, 1915, p. 134.

Yet in spite of their poverty, nowhere are the people more hospitable. 'Not even an enemy', says a Multan proverb, 'shall go away when the baking plate is put on the fire.' A man, too, is quick to help his neighbour in distress. If a house is swept away by flood, the whole village will turn out to save the goods. But on the whole poverty is demoralizing. What a settlement officer wrote nearly 50 years ago is still substantially true. 'The common people', he says, 'will steal anything they can. Sexual immorality is universal. They are not a cheerful people. In conversation they seem to remember nothing but droughts, failures of canals, blights, deaths of cattle, and every possible misfortune that can befall a farmer. They are absolutely wanting in any public spirit. I have heard a tehsildar, as the worst punishment he could inflict on a recalcitrant zemindar, threaten to get him appointed on a district committee.'¹ Verily the destruction of the poor is their poverty. Even of the comparatively prosperous district of Multan a settlement officer could write: 'Both nature and man have been too strong for the Multani peasant. . . . The prostrating effects of the fierce summer heats, and the absolute hopelessness of the agriculture in years when floods are scarce, have broken the heart of the peasant. . . . His efforts are by fits and starts; long continued energy is unknown to him; and he has not the instincts of discipline which the Jat of the central Punjab has, for he has been under one conqueror after another.'²

That this is at once the poorest and the most backward part of the Punjab can hardly be doubted. There are still places in Dera Ghazi Khan where, to give everyone a turn of the best irrigated land, fields are redistributed every three or four years, and in some cases even once a year. The house serf, too, can still be found amongst the Balochis, for every Mazari has his hewer of wood and drawer of water, whose only wage is food and clothes; and so much is he part of the household that he is even admitted into the zenana.³ With

¹ *Muzaffargarh S.R.*, 1873-80, p. 73.

² *Multan Gaz.*, 1901, p. 107.

³ *Rajanpur A.R.*, 1919, p. 14.

such customs still in force it would be idle to talk of progress. In Multan the seed of change is being sown. But Muzaffargarh and Dera Ghazi Khan are where they were a generation ago. In some ways things are even worse, for in the last 40 years the population of the two districts has increased by 29 per cent. and holdings are correspondingly smaller. In a village notebook I recently came across a note, written 50 years ago by the settlement officer of the day, which ended thus: 'Mortgages very numerous, the people much in debt, relief necessary.' In the interval mortgage debt had nearly doubled, rising from Rs. 12,611 to Rs. 23,000, and in addition there was Rs. 22,000 of unsecured debt. Upon this the only possible comment is 'relief still necessary'. The words indeed are writ large over the whole district.

But what relief can be given? Half the country is burnt up by the sun, and the other half drowned by the river, and the whole is waterlogged with debt. Though
Possible Remedies the most thinly populated area in the province, it is over-populated for any but the lowest standard of living. 'The two things that crush us', said a cultivator to the writer, 'are the piling up of interest upon interest and the lack of produce (*paidawar*).' Had not high prices been a help, I asked another. 'What do we know of prices?' was the laconic reply; 'it is all we can do to fill our bellies.' In the village just mentioned, by no means one of the worst, debt averaged Rs. 40 an acre, and an acre produces less than Rs. 40 a year, and every fourth year it will produce nothing at all.¹ To feed the village there was less than an acre a head. Holdings are either too large or too small. The small holder can barely live, and the large barely work. To loiter on a charpoy all day listening to gossip and scandal, with an occasional outing after game, is what the big man likes. There is no reason why he should be in debt, yet he nearly always is.² The peasant proprietor is merely improvident: the landlord

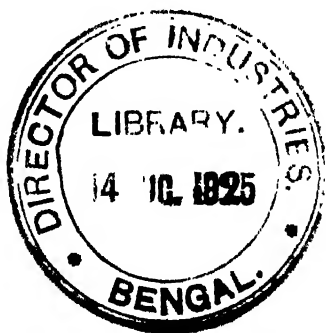
¹ One acre produces 10 maunds of wheat and one of fodder.

² e.g. in the Kabirwala tehsil of Multan the majority are said to be in debt from Rs. 1,000 to Rs. 5,000, and 'a few owe anything from Rs. 5,000 to a lakh of rupees' (*A.R.*, p. 24).

is extravagant as well. The former will rarely spend more than one or two hundred rupees upon a marriage, but the latter may throw away thousands. Upon a mere circumcision a Baloch chieftain recently spent Rs. 15,000, and what made it worse was that most of it came out of the pockets of his clan. In England the landlords have always been the natural leaders of the countryside, and half the progress of agriculture is due to them. But in this tract it seems useless to look to the landlords to get the people out of their slough of despond. Nor is it of any use to lighten the land revenue, for, as we shall see later (Chapter XI), this would probably be followed by lower production, or by an increase in population or debt. The only solution is co-operation combined with education, and systematic colonization of the surplus population combined with consolidation of holdings. It is doubtful whether any of these remedies would succeed alone: the problem is too serious for that. Even co-operation, which has achieved brilliant results in other parts of the province, has made but little headway here. The reason is the people are in the hands of landlord, *pir* and *kirar*. Lacking in backbone and almost incurably thriftless, they are at present incapable of the self-help which is the essence of co-operation. Yet the position is not quite hopeless. In Multan, with the development of communications, the beginnings of education, and the advent of the Lower Bari Doab canal, light has dawned and progress begun. A good instance of this is an increase of 42 per cent. in the number of wells between the last two settlements. In Mianwali, too, the cultivator is no longer entirely in the hands of the Bania, and he has begun to take his grain to the market himself, and, what is even better, he is sometimes thrifty enough to lay by grain for a bad year. It is usual to decry the cultivation of the tract, and certainly it would be difficult to find worse cultivation than where the Baloch prevails in Dera Ghazi Khan. With a bad plough, which he uses as little as possible, sowing his rice broadcast and putting the heaviest strain he can upon his land, 'he believes', says the settlement officer, 'in two times only, a time to sow and a time to reap'. On the other hand, it would

be difficult to find neater and more symmetrical fields, more carefully plastered watercourses, and a more plentiful use of manure than in parts of the Thal. Even in Muzaffargarh the settlement officer estimates that not more than ten per cent. are hopelessly involved. There is hope, therefore, but only if the problems are wisely and resolutely tackled. 'Without wisdom', says the local proverb, 'the well is empty.'¹ There is no part of the Punjab where wisdom is more greatly needed.

¹ *Akl bajhon khu khali.*



CHAPTER VII

THE CANAL COLONIES

THE PEASANT PROPRIETOR IN *EXCELSIS*

" I will tell a new tale to-day
How of old the *Bar* was the prey of thieves,
The shelter of deer, jackals and rats,
Now no barren jungle is left,
Young sahib¹ has peopled the land."

(Punjabi Ballad).

IN the last chapter we were in an atmosphere of poverty, ignorance, and oppression. We saw the tiller of the soil eking out a difficult and scanty living at the mercy of landlord, *pir* and *kirar*. We found conditions harder than anywhere else in the Punjab, and a degree of poverty happily more characteristic of 60 or 70 years ago than of to-day. We noted the demoralizing effects of this upon the character of the people, and the almost insoluble nature of their problems. We now enter the last circle into which the Punjab has been divided for the purpose of this enquiry, and no contrast could be more startling. In the western Punjab conditions are dominated by a relentless nature. In the great Canal Colonies that are about to be described, we feel everywhere the beneficent hand of man. In the former, life is the immemorial life of India, primitive, isolated and fatalistic: in the latter it is the new life brought in by the *Pax Britannica*, prosperous, progressive and modern. And not more than 30 years ago the two tracts would have been indistinguishable. But for the imagination and enterprise of a dozen engineers and bureaucrats, virtually the whole country between the Jhelum and the Sutlej, west of the main line of the North-Western Railway, would have had to be included in the area dealt with in the last chapter. It is only the canals fed by the Jhelum,

¹ Captain (now Sir) Popham Young, first Colonization Officer, Lyallpur.

the Chenab and the Ravi that have prevented the four flourishing districts of Shahpur, Lyallpur, Jhang, and Montgomery being a comparative desert. In the sixties, 89 per cent. of Shahpur was waste, and thirty years ago Lyallpur did not exist. Carved out of the desolate *Bar* between the Chenab and the Ravi and named after Sir James Lyall, the Lieutenant-Governor under whose wise and far-sighted guidance the first of the great canals was dug, the Lyallpur district now contains nearly a million inhabitants.¹ The prosperity of Montgomery is even more recent. Ten years ago it was a country of rolling sand dunes patched with grass, and of hard, unfruitful plains glistening with salt. In the early nineties, a man journeying south from the Jhelum to the Sutlej would have had to traverse 150 miles of some of the ugliest and dreariest country in the world. Here and there round scattered wells, as in the tract we have just left, his eye would have been gladdened by a smiling oasis of wheat; and if, as is unlikely, rain had just fallen—the rainfall in the *Bar* is only five inches—he would have found everywhere abundant grass. Otherwise, however, his way would have lain through an endless waste of bush and scrub, with little sign of life beyond the uncertain footmark of camel, buffalo and goat, and the movable dwelling of the nomad grazier, with its roof of thatch propped upon wooden poles. To some there was a certain fascination in the sense of freedom and solitude given by the wide open spaces of the *Bar*, but most people would probably have agreed with the deputy commissioner of Jhang who described it as ‘unrivall-ed in the world for its combination of the most disagreeable features a landscape is capable of affording’.² The writer, at least, will never forget the impression of desolation made upon his mind nearly 20 years ago when, fresh from the verdure and beauty of England, he found himself for the first time caught in its grip. It is even worse than the country along the Indus, where closely converging rivers relieve the landscape with their ribbons of green; for here, the Jhelum,

¹ 979,463.

² *Chenab Colony Gaz.*, 1904, p. 6.

Chenab, Ravi and Sutlej are still far apart, and the broad stretches of upland country between them are out of reach of their summer flood.

When the Lower Chenab Canal was made (1887-92), there was, of course, nothing new in the idea of irrigation by canal.

*Foundation of
the Canal
Colonies*

The Mughals had done it in the southern Punjab 300 years before, though more for their own enjoyment than for public benefit; and one of the first results of the annexation of the Punjab (1849) was the construction of the Upper Bari Doab Canal (1860-61), by which the waters of the Ravi were taken from the foot of their native hills to the fertile and densely-populated districts of Amritsar and Lahore, 100 miles away. Ten years later toll was taken of the sacred Jumna to irrigate the southern Punjab. It was not, however, till the eighties (1886-88) that the first experiment in colonization was made. One hundred and seventy-seven thousand acres of waste land in the Multan district were irrigated from the Sutlej, and colonized with immigrants from the surrounding country. The experiment proved but a qualified success, as a perennial supply of water could not be guaranteed. Meanwhile, great strides had been made in science, and canal engineers became increasingly ambitious. The next experiment, therefore, was on a totally different scale. The Chenab was to be harnessed and over a million acres irrigated and colonized.¹ This experiment proved a brilliant success, and the opening of the Lower Chenab Canal, in 1892, is the turning point in the economic history of the Punjab.

Since then the making of canals has gone on apace. The Jhelum was attacked in 1897, and five years later the second great canal colony (the Lower Jhelum) began to appear in the wastes of Shahpur. This was followed by the famous Triple Project (1905-17), about which much has been written. South-west of Lahore lay the desert of Montgomery, but the only river from which it could be irrigated, the Ravi, had already been tapped for Lahore and Amritsar. On the other hand, 200 miles further north, there was still plenty of water in the

¹ In 1921-22, 2,560,932 acres were actually irrigated.

Jhelum. Could it be brought to Montgomery with the Chenab and the Ravi in between? This was the problem that the great canal engineer, Sir John Benton, set himself to solve, and this is the way he did it. Three canals were made. The first (the Upper Jhelum) took the spare water of the Jhelum and poured it into the Chenab, irrigating 350,000 acres on its way. Chenab and Ravi were then linked together by a second canal (the Upper Chenab), which irrigated another 650,000 acres in Gujranwala and Sheikhpura. Finally, the water that remained was carried across the Ravi by a level crossing—a barrage, 550 yards long, was flung across the river—and the third canal, the Lower Bari Doab, took it another 134 miles through Montgomery into the heart of Multan. The Lower Bari Doab Canal Colony, the third of the great colonies, is the result.

Altogether the three colonies, which for the sake of brevity we may call the Lyallpur, Shahpur and Montgomery Colonies, include nearly $4\frac{1}{2}$ million acres, of which about four million are irrigated every year.¹ In addition there are six smaller colonies covering another half a million acres.² The total area colonized, therefore, is about five million acres, which is more than one-sixth of the cultivated area of the province.³ In 1921-22, a normal year, a net profit of Rs. 169 lakhs, or over £1,000,000, was made by Government upon the canals serving the three major colonies, representing a dividend of 22 per cent.

¹ Technically the three colonies are called respectively the Lower Chenab Colony, embracing Lyallpur and part of Jhang (about $2\frac{1}{2}$ million acres), the Lower Jhelum (500,000 acres), and the Lower Bari Doab Canal Colony (1·3 million acres). The last includes a slice of Multan as well as a large area in Montgomery.

² viz. Sidhnai (about 232,000 acres), Sohag-Para (86,000), Jhang (9,000), Chunian (84,500), Upper Chenab (80,000), and the Upper Jhelum Canal Colony (43,500 acres). The figures, which are taken from the *Punjab Colony Manual*, and the *Punjab Administration Report* for 1921-22 (Vol. 1), represent approximately the areas colonized, not the areas irrigated by the canals in question, which in some cases are very much larger. It must be remembered that the colonies form less than half of the total canal-irrigated area of the Punjab, which in 1921-22 amounted to 10,461,079 acres.

³ 28,917,419 acres (1921-22).

upon the capital outlay (738 lakhs).¹ The profit made by the colonist is even greater, as may be judged by the fact that in the same year the produce of this area was valued at 28½ crores, or £19,000,000.² If we include the six smaller areas, the total produce of the colonies can hardly be worth less than £20,000,000 a year, of which £5,000,000 is probably net profit to the cultivators.³ This immense increase of wealth is vividly reflected in the trade of the province. In the early nineties the average annual export of wheat from the Punjab was not much more than 250,000 tons; in the last six years it has been over a million. In 30 years the annual value of this export has risen from about £1,000,000 (168 lakhs) to nearly £6,000,000 (Rs. 888 lakhs).⁴ In 1920-21 its value exceeded £9,000,000 (13·58 crores), and in the same year £3,000,000 of gold and silver were imported into the Punjab,⁵ mainly no doubt for consumption in the canal colonies, where, it is said, it was often bought not by the ounce but by the pound.⁶ The colonies have, in fact, opened for the Punjab an era of prosperity undreamt of in the past.

Before, however, so much could be achieved, many formidable difficulties had to be overcome. In the case of the Lyallpur Colony they were almost overwhelming. The *Early Difficulties* country was wide, empty and desolate, the population hostile, and the climate in summer of the fiercest. The tract could only be reached by bullock cart, camel or horse, and even when the first harvest was won, there was no railway to take it to market. Nor was that first harvest by any means an easy affair. Methods of irrigation were in their infancy; levels were not always rightly calculated, and

¹ See *Punjab Irrigation Department Administration Report*, 1921-22, Pt. II, pp. 8-9.

² Op. cit., Pt. II, pp. 22-23.

³ If we assume, on the basis of recent settlements, that land revenue ordinarily represents eight per cent of total produce and 25 per cent. of net profit, the latter would amount to £6,400,000. £5,000,000, therefore, seems a safe estimate.

⁴ Calvert, p. 147.

⁵ In this case the Punjab includes the Frontier Province.

⁶ I have heard this from too many sources to disbelieve it. Actually it is said to have been bought not by the pound but by the *seer* (two pounds).

colonists were allowed to arrive before all the main channels were ready. The land, too, had to be cleared of bush and scrub, fields to be levelled and embanked, and watercourses to be made. Sometimes the water refused to run, and nothing could be sown. Meanwhile the indigenous nomads, resenting the alien intrusion into their solitudes, gave the settlers no peace, stealing their cattle and preying upon them in every possible way. A severe epidemic of cholera made things worse, and it was not till an abundant harvest appeared, that the excellence of the soil was revealed and spirits revived. Even then difficulties were not at an end. Labour was scarce and large quantities of cotton remained unpicked. When harvested, too, the produce had to be conveyed to market 'by the same perilous ways by which the settlers came'. No wonder then that many returned in disgust to their homes, little realizing the Eldorado that the wilderness was to become.

With so many difficulties to be overcome, the choice of colonists was all-important. For the most part they were taken from the central Punjab, and only from the best agricultural tribes. How the selection was made, in one district at least, will be seen from the following passage, which I make no apology for quoting in full, as it is an admirable example of the paternal form of Government, dear to the heart of every simple people, and now, for better or worse, passing away. It is the settlement officer of Amritsar who writes. He has halted for the night in a village, and in the early morning all the would-be colonists are gathered together for inspection. 'Walking down the row I could easily see the men who were physically unsuitable. Many old dotards and mere boys would be brought up, in the hope of thus securing an extra square¹ for the family, though they had no intention of going, and would do no good if they did. His colour would often betray the habitual opium-eater, and his general appearance (more especially his hands) the *shaukin*²

¹ Every colony is divided into squares or rectangles, measuring 25 or 27·8 acres.

² Fop.

and the *jawan*¹ who had been in the army or in Burma, and who, cutting his name after a few years spent with a regiment, had come home to the village, but had never done a hand's turn of honest work behind the plough. Such men would never do any good in the *Bar*. A show of hands is a simple method for discovering the real workers among the community. Next, if any one family was represented by too many members, one or two of these would be weeded out, amid loud protests. Sometimes the three generations would come forward, headed by a hoary old grandfather, and try to secure six or seven squares between them. It was plain that they would not all go, and even if they did that their going would deprive some other family of relief, so they had to be thinned out. Then with the *patwari*² and a *munshi* at my elbow, and attended by the *lambardar*,³ I would go down the line and take down the names and the area of each man's share, his age, parentage and *got*.⁴ This process would expose those who already had sufficient holdings or who had mortgaged a considerable share of their land, and these, too, were weeded out. The residue would be put down for a square each, with perhaps an extra square for the man who, by common consent, was named as the leading man of the *patti*⁵—the bell-wether, whose lead all would follow. Thus the original crowd of applicants would be reduced to a band of men all connected by common descent, all physically fit to take up a life in a new country under considerable difficulties, all hard up for land, but with sufficient resources to start them.⁶

In the first selection of colonists Government had two main objects in view. Primarily it was desired to relieve the pressure of population in the highly congested districts of the central Punjab, where conditions in the nineties were even worse than they are to-day. Secondly, it was designed 'to create

¹ Young man. ² Village accountant. ³ Headman of the village.

⁴ Family. ⁵ A division of the village.

⁶ Memo. of the settlement officer, Amritsar (1893), see *Punjab Colony Manual*, Vol. I, p. 33.

villages of a type superior in comfort and civilization to anything which had previously existed in the Punjab'. Upon this two-fold basis arose the Lyallpur Colony, which now embraces $2\frac{1}{2}$ million acres. Subsequently a third object appeared. The South African War brought the needs of the army vividly to the fore. It was feared that, if ever India became involved in a great war, the supply of horse, mule and camel might fail. Accordingly, it was proposed that land should be given to those who would undertake to maintain mares or camels for breeding purposes. This object has been dominant in Shahpur and Montgomery, and in the former over 200,000 acres have been given out on horse-breeding conditions. Latterly the conditional grant has been developed even further, and is now applied to the most heterogeneous schemes, 'each devoted to one object dear to the heart of some particular department of Government'. Lands have been given for the growth of selected seed, for the breeding of special strains of cattle, for the supply of cantonments with milk or butter, for plantations and experiments in fruit farming, and even for the introduction of steam ploughs. The modern colony, therefore, is made not only to serve the primary needs of life, but also to supply the requirements of the army and to develop a higher standard of agriculture; and in the grants that have been made to societies for the depressed classes and criminal tribesmen there is even a hint of the reformatory. It is too soon to judge the results of most of these experiments. Some have led to hot controversy, and others, for instance, the grant of land for the breeding of camels, have definitely failed. In the Shahpur colony, which is based upon the horse-breeding grant, the grantees have been tied down to a system of primogeniture, which is entirely foreign to the Punjab and sometimes leads to the murder of the eldest son. More interesting from the economic point of view are the grants for agricultural development, but most of them are still in their infancy and have so far not had much effect.

The rest of this chapter will deal mainly with the Lyallpur colony, which is both the largest and the oldest of

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the three major colonies. Embracing the whole of Lyallpur and a part of the district of Jhang, it has now a generation of history behind it, and is much the best field for the study of colony development. Results can be gauged, and they will be found to be of the highest interest, not only in their bearing upon the question of debt, but in the light they throw upon many of the problems of Indian rural economics. Broadly speaking, colonists fall into three, categories, the small peasant proprietor who is given a square of land—in Shahpur he has been given two squares to enable him to maintain a brood mare—the yeoman farmer who receives four or five squares, and the landlord, the representative of the landed gentry, who may get anything from six to 20 squares. Of these the peasant proprietor is much the most important. He is the backbone of the colonies, as he is of the Punjab. In the Lyallpur Colony he holds about 80 per cent. of the land, and in Shahpur nearly as much.¹ In the latter he was recruited mainly from the northern districts, but in the former, as we have seen, almost entirely from the central Punjab. No colony could have had better material, for Ludhiana, Jullundur and Amritsar represent the flower of Indian agriculture. They are the home of the Jat Sikh, who has been described as 'the most desirable of colonists'. It would be difficult to say which of the three has produced the best type: for industry and thrift the Ludhiana Sikh is hard to beat, and the Sikh from Amritsar, though he may be spendthrift and violent, is unsurpassed as a cultivator. Grit, skill in farming and a fine physique are characteristics common to all, and in his new environment the Jat Sikh has reached a point of development probably beyond anything else of the kind in India. In less than a generation he has made the wilderness blossom like the rose. It is as if the energy of the virgin soil of the *Bar* had passed into his veins and made him almost a part of the forces of nature which he has conquered. The Arain, the prince of

¹ In the Montgomery Colony, owing to a large number of miscellaneous grants, the percentage is only 59 (*Punjab Colony Manual*, 1922, p. 21).

market-gardeners, is his only rival. As thrifty as he is prolific, from dawn till eve bent over cabbage and onion, able to draw a living from the tiniest plot, the Arain extracts, as we have seen, the last ounce of produce out of the soil. Lyallpur was certainly fortunate in the selection of its colonists, and only the men of Sialkot have not entirely justified their choice. Litigious and extravagant by nature, they have not been able altogether to overcome the hereditary failings that have made their district one of the most indebted in the province. But even upon them the colony has had a bracing effect. It is one of the most marked features of a colony of this type that, in bringing together keen farmers from different areas, and in setting them down side by side under equal conditions and with precisely the same opportunities, it encourages a rivalry which is a powerful stimulus to agricultural development.

The other two classes of colonists, the yeoman and the landlord, have so far not done very well. In the case of the yeoman it was intended to attract the pick of the larger peasant proprietors, 'men who by their wealth, energy or ability had raised themselves above their fellows without ceasing to belong to the agricultural community', and whose credit and resources, it was hoped, would prove of value in the development of an infant colony. This hope has not been fulfilled, partly because it was found impossible to insist upon residence, and partly because even the resident yeoman rarely attained to any leading position. Neighbours, comparing their single square with his four or five, were moved to jealousy rather than to deference; nor, where hereditary ties are lacking, can leaders easily be imposed: they have gradually to be evolved, and in a new country, all the world over, it is character and capacity rather than mere hereditary advantage that raise a man above his fellows.

Between yeoman and landlord the difference is more of degree than of kind. Both consider themselves superior to the peasant farmer, and both have more land than they can personally cultivate, the yeoman having at least 100 acres

and the landlord two or three times as much. If, too, the yeoman has failed, the landlord has not done any better, being nearly always an absentee. At the outset it was thought that a moderate infusion of the capitalist element would strengthen the colony, not only by providing natural leaders for the new society, but also by bringing in men of superior intelligence and wider outlook than the ordinary peasant proprietor. Where, too, as in the Punjab, society is still semi-feudal in character, there were obvious advantages, in propitiating the landed gentry with valuable grants of land; and the hope was cherished that it would do something to restore the influence of a class, which has been seriously impaired by recurring partitions of family estates and by the rise to power of a prosperous and educated middle class in the towns.

In the Lyallpur Colony the landlord holds about 15 per cent. of the land, which means, of course, that he forms a very much smaller proportion of the community. From the start he appears to have made an indifferent colonist. 'With very rare exceptions,' says an early report, 'the last thing which the capitalist or yeoman contemplates is the spending of any large sum of money on the development of his grant. . . . They bring their land much more slowly under cultivation, they quarrel with their sub-tenants, they dispute endlessly amongst themselves. . . . And it is impossible to get anything like the same amount of work out of them . . . as in the case of the peasant grantees.'¹ The experience of nearly 30 years is not much more favourable. The Colonies Committee of 1908 found experts agreed in their mistrust of the capitalist grant;² and in the Lyallpur Colony of to-day few of the larger grantees reside on, and some never even visit, their estates. Agents are put in who think only of themselves and care little for their tenants. The latter are said to be 'migratory and discontented'. Large revenues are drawn without effort, and a class of idle rich,

¹ *Report of the Colonization of the Rakh and Mian Ali Branches*, 1896, p. 11.

² *Punjab Colony Manual*, Vol. 1, p. 37.

who keep motors and do no work, has sprung up at the expense of Government. Even in the youngest colony of all (Montgomery), a recent report speaks of tenants 'often miserably housed', of agents who are men of no standing, and of lands inadequately developed, in fact of all the evils of the absentee landlord. For the man who purchases his land in the open market—large areas have been set aside for sale by auction—there is a little more to be said. Though, like every other landlord, the auction purchaser is invariably an absentee and so 'of not the slightest use to the colony', at least he supervises his estates, as he would any other investment, and occasionally goes in for agricultural development, which a member of the landed gentry rarely attempts. Incidentally, too, with land selling at from £30 to £50 an acre, the auction sale brings in a rich revenue to Government, which in Montgomery alone is expected to total over a million pounds.¹

But revenue may be obtained at too great a cost, and if these auction sales bring in the absentee landlord in large numbers, the ultimate loss to the colony may be greater than the immediate gain to the exchequer. We shall do well to remember Professor Carver's dictum, that 'next to war, pestilence and famine, the worst thing that can happen to a rural community is absentee landlordism'.² This view is based upon wide experience. With the possible exception of pre-Revolution France, where, according to one authority, 'absenteeism was on the whole advantageous to peasant independence',³ absenteeism appears everywhere to have been an almost unmitigated evil. Of this Ireland is perhaps the most familiar example, but many other instances might be quoted. In Spain to this day, especially in the south, large estates are in the hands of 'urbanised landlords', who entrust their properties to contractors, whose only object is to squeeze all they can out of a rack-rented peasantry; and the system is said to be 'an important cause of the under-cultivation of Spain and of the poverty, unemployment and

¹ *Punjab Colonies Report*, 1921, p. 25.

² *Principles of Rural Economics*, p. 377. ³ Irvine, *op. cit.*, p. 71.

emigration of the peasants'.¹ Southern Italy and Sicily tell much the same tale. In the old kingdom of Naples, as in eighteenth century France, it was the fashion to live at the capital to enjoy the amusements of the court, and estates were so badly managed that the exploited peasants were driven to brigandage.² Further east, in Rumania, the landowner was little if any better. 'Like the landlords of south Italy and Sicily,' says a writer of the eighties, 'he takes refuge in towns, in watering-places, or in the casinos in which he can gamble', while the villages 'make one sick at heart'.³ The eventual result of absenteeism on a large scale is emigration, and all these countries are examples of this. The reason is clear: the absentee landlord is incompatible with good agriculture, and a rapidly increasing population is incompatible with bad. For the moment, thanks to its large tracts of still uncolonized land, this is not a problem that threatens the Punjab; but, as we shall see in the next chapter, the standard of living is rising and population is increasing, and it may not be very long before the one has to give way to the other, unless agriculture can be sufficiently developed to make the production keep pace with both. In this difficult task it is for the canal colonies to take the lead, for nowhere else at present are conditions propitious to development. There is, therefore, a real danger in allowing the absentee landlord to gain a strong hold upon a colony. There are, of course, good landlords in every country, but it is hardly an exaggeration to say that as a class the landlord has only fully justified himself in two countries, Prussia and the United Kingdom;⁴ and in neither has he been an absentee. It is significant, too, that neither country has been touched by the agrarian revolution which has swept over eastern and southern Europe since the War, and which has everywhere done its best, often with violence, either to evict the landlord or to break up his estates.⁵

¹ *Ibid.*, p. 101. ² *Ibid.*, p. 58. ³ M. de Laveleye, see *ibid.*, p. 86.

⁴ For the work done by the Prussian Junker and the English landlord respectively, see Clapham, *op. cit.*, pp. 47 and 206, and Curtler, *op. cit.*, pp. 320-22.

⁵ A good check upon absenteeism might be to double or treble the land

So much by way of warning, and in view of early colony history it is not a warning that can be entirely neglected. If, however, the yeoman and landlord of the first generation have been a failure, it does not necessarily follow that the second generation will be equally bad. There is already a tendency, on the death of an original grantee, for one son to take the ancestral land of the family and for the other to settle down on the colony estate. If this is widely done absenteeism will cease to be a curse. Much good may even ensue, for there is no doubt that a community of small peasant proprietors is all the better for a sprinkling of bigger men. With the ever-recurring partitions of Indian law, it is only a matter of time before the original 25-acre holding shrinks to the five or six acres characteristic of the central Punjab, and as the holding shrinks the peasant's mind may shrink as well. The presence of the landlord, with his superior education and broader view, will then be more than ever necessary for the development of a healthy rural community. In eastern Europe, where, as in India, towns are few and conditions primitive, the estate of the resident landlord has frequently been a centre of enlightenment and advance, and it is even claimed that, like the monasteries in the dark ages, these estates have been the main civilizing influence upon the life of the people.¹ Whether this is so or not, it is evident that a man, 'whose talk is only of bullocks', is not likely to be a good pioneer of progress, but requires the example and guidance of men whose interests extend beyond the limits of a single village. Professor Max Sering, the great authority on German agriculture, told the writer that he considered the ideal condition for agricultural progress was to have the large and small landholder side by side, the former to make experiments and the latter to apply them. This view is endorsed by the experience of Lyallpur,

revenue of all absentee landlords. In Rumania landlords residing abroad were heavily taxed before the War (Gide's *Political Economy*, p. 722).

¹ See an article by L. B. Namier in the *Manchester Guardian*, 'Commercial Reconstruction in Europe,' August 17, 1922.

where it has been found that the small farmer will not take the risk of experiment or change, as his very existence depends upon his land. On the other hand, the large landlord has so far not proved himself to be any better, for, having plenty of land and having acquired it with ease, he rarely bothers about its development.

From this point of view the most promising element hitherto has been the resident yeoman. Many of these cultivate their land themselves, and when they do this, there is no better medium for the spread of agricultural progress. I recently visited the property of one of them near Lyallpur. The owner, a Sikh, had received a grant of 150 acres, and as a result of many years of sustained hard work, even to the point of occasionally weeding the fields himself, and of close personal supervision of his Christian tenants, he had been able to build a large two-storeyed country house at a cost of Rs. 15,000 (£1,000), and had surrounded it with a 16-acre garden full of fruit trees now fully grown. Part of his house was furnished in English style, with arm-chairs in the reception rooms, *namdas* and *durries* on the floor, and colour-wash on the walls: even the iron girders that supported the roof were painted pale blue. He drives to market in his *tonga*, and is the first agriculturist to have the telephone in his house. Less than half a mile away is a collection of mud hovels with dilapidated walls, marking the estate of a neighbour who received a precisely similar grant, but on the strength of it took to idleness and drink. That is the other side of the picture, and shows the importance of choosing colonists with care.

There is one possible substitute for both landlord and yeoman, namely the co-operative farm, which has reached a high pitch of development in Italy. A society is formed to take up land for its members to cultivate either *collectively*, in which case the produce is pooled, or *individually*, in which case each receives a separate holding to farm. In the former, the society farms the land itself and its members are nothing but labourers; in the latter, the members are the society's tenants, and, subject

The Co-operative Farm

to its general control, can cultivate their holdings as they please. This is the form best suited to the colonies, and five societies of the kind have recently been launched in Montgomery. Each society has been given from 300 to 1,000 acres for distribution to its members, and, so far as Government is concerned, the society is responsible for the observation of all obligations attaching to a colony grant. Towards its members it stands in the relation of landlord to tenant; and the importance of this lies in the fact that, whereas the best of landlords is obliged occasionally to think of himself, a good society will only think of its members. Their welfare and the development of their resources is its only care, and all its energies are bent upon teaching them the most skilled use of their land. In Italy facilities are always given for the purchase of professional requirements and often for the sale of produce; and in the best societies education and amusement are also provided. Some have even built theatres for the recreation of their members. As such they are a civilizing influence, and not simply a means of material enrichment. But even without the co-operative farm a wide diffusion of other forms of co-operative enterprise, such as is now taking place throughout the Punjab, with the powerful stimulus that all genuine co-operation brings to mind, effort and character, may do much to render the landlord superfluous; and, unless the latter mends his ways and makes his estate what it ought to be, a centre of education and progress, it may be necessary seriously to consider whether he should be given any place at all in the colony of the future.

The colony is in itself a civilizing influence of the greatest importance, as may be seen from the effect it has had upon the aboriginal Jangli, who has been converted from a lawless nomad into an industrious agriculturist. The Janglis are the indigenous inhabitants of the tract, and only 30 years ago roamed at will from the Jhelum to the Sutlej. Akin to the people who were described in the last chapter, but wilder and more nomadic, delighting in the strength of horse and camel

rather than in the labour of plough and sickle, in habit shepherds and graziers dashed with sportsman and free-booter, stalwart in physique and wedded to women of uncommon strength and beauty, 'holding all peaceful pursuits in unaffected contempt', but acknowledging, like all primitive people, the paramount claims of hospitality, 'their reclamation', says one who knows them well, 'is an achievement of the first magnitude'.¹ A visit to one of their villages will show what is meant. The one that it is proposed to describe consists of 40 houses, divided into four blocks by two broad lanes forming a cross and meeting at the well in the centre of the village. Close to the well is a half-finished mosque, on which Rs. 2,000 has already been spent. At the entrance to the village is a fine open enclosure with a thatched shelter, where guest and traveller are put up for the night. Here a wooden bed is produced and spread with a rug, and, as we sit down, talk begins and past and present are compared. The village is 33 years old, and there are many there who remember the days when no one thought of wearing anything but a skirt (*lungi*) and a pugaree. The shirt was unknown. Now out of the score of people present there are only four who do not wear some machine-made cloth, and all boast shirt, waistcoat, *chaddar* and coat. In old days men had to be content with two meals a day; now they have three.² The thatched huts of their fathers, that would be moved with every change of encampment, are replaced by clean mud-plastered houses, and the *lambardar*, to mark his position, has a verandah supported on masonry pillars. Formerly only two or three could afford a horse; now it is the exception not to have one. 'And how do they spend their money?' I enquired. The reply was significant. A marriage now costs Rs. 1,250 against Rs. 50 or Rs. 60 a generation ago. Indeed, one old man said that his marriage had cost him nothing at all. Now, too, they marry at 14

¹ B. H. Dobson, *Chenab Colony Settlement Report*, 1915, p. 45 (a masterly and exhaustive report on the Lyallpur Colony).

² It was estimated in the seventies that a Jangli consumed only one-third of the quantity of food-grain eaten by the ordinary cultivator, milk being almost the staple food of the area. *Jhang S.R.*, 1874-80, p. 57.

or 15 instead of at 30 to 35.¹ Marriages, therefore, are not only far more expensive but twice as frequent. Remembering the condition of the nomad in a hot and barren country, it was impossible not to be struck by the look of clean, simple comfort which pervaded the village. Yet there was never a word of thanks to the *Sirkar* for what had been done, but only complaints. The land, they said, was not enough for their children. In the old days the whole country was theirs; but now only 100 acres or so round the village. Before the canal came, their cattle could roam as they pleased; but now, if their cattle strayed out of sight, as likely as not they would be caught and shut up in the pound. Finally, in those days there was no land revenue to pay and everything was cheap. Of such stuff is the gratitude of man; yet, as one old grey-beard said, 'in the old days we were as the beasts of the field, roaming to and fro; now we cultivate our own land and in this our *izzat* (position) is increased'. With this increase of *izzat* has come a feeling of pride, rarely to be found in the nomad; and one or two, who used to go about in rags leading a string of camels, are now thinking of sending their sons to England. The change from 30 years ago is profound, but the process of reclamation is not yet complete. In Shahpur development has been hampered by the original grants of land (12½ acres) proving insufficient for so prolific a race. Even in Lyallpur they are said to be 'still prone to cattle theft and burglary', and in the art of agriculture they lag far behind their alien neighbours. On the other hand, they have one advantage derived from the old, careless, nomad life, for, caring little for gold, they are entirely free from the money-getting propensity of the immigrant.

The four chief classes to be found in a canal colony—the peasant proprietor, the yeoman, the landlord and the Jangli—have now been described, and it is time to consider the economic conditions under which they live, and, if possible, to gauge how far these conditions differ from those prevailing in the rest of

*Debt in the
Colonies*

¹ See *Chenab Colony Gaz.*, p. 48.

the province. The subject will be treated under three main heads, namely, debt, the standard of living, and agricultural progress, all of which are intimately connected. Of these three debt will be considered first, and in no respect is the superior position of a canal colony more immediately apparent, as the following figures show :—

Colony	Colonists	Percentage free of debt	Average debt per <i>indebted</i> colonist	Debt's multiple of land revenue
			Rs.	
Lyallpur ..	2,219	22	793	
Shahpur ..	1,272	34	570	
<i>Average</i> ..		26	726	

The most significant of these figures is the last, which shows that debt is only four times the land revenue. Compare this with the multiple of 24 for the central Punjab, from which most of the Lyallpur colonists hail. The difference is remarkable, and, if, as before, we examine the figures of the official enquiry into mortgage debt, we shall find the same striking contrast. In Lyallpur, for instance, mortgage debt amounts to 55 lakhs. Multiplying this by four, the proportion given by my enquiry, the total debt of the district comes to 220 lakhs (nearly £1,500,000), which is only $3\frac{1}{2}$ times the land revenue. This is even less than the multiple given above; and, even if we take the latter, it is much lower than anything we have found elsewhere. In Rawalpindi the multiple was eight, and in every other district examined it has been over ten, while in ten districts it has exceeded 20. It is impossible to apply the same test to other colony areas, as the acquisition of proprietary rights, without which there can be no mortgage, is still far from complete and in some places has barely begun. At the same time it is significant that, in five out of the eight¹ colony tehsils outside the Lyallpur Colony, mortgage debt is less than half the land revenue. Only

¹ The five tehsils are Khangah Dogran, Sargodha, Montgomery, Okara, and Khanewal.

in the Chunian tehsil of Lahore, where there is a small but old-established colony, is it considerably higher ; and even there it is far less than in the other two tehsils of the same district, the multiple being only four as against 18 in the latter. It may, therefore, safely be stated that indebtedness in the colonies in proportion to resources is much lighter than in any other part of the province. It is true that the number of those entirely free of debt (26 per cent.) is less than the percentage in Jullundur (27) and Hoshiarpur (30), and that average debt (Rs. 726) is higher than in either of those two districts. The explanation of this is that in the colonies the peasant proprietor's holding may be anything from ten to 25 acres, and that, to bring and maintain this under cultivation, far more capital is required than in an ordinary district, where land has been cultivated for generations and where the holding rarely exceeds six or seven acres. Considering this, it is surprising to find that so many colonists are not in debt at all, for it must be rare for a peasant proprietor to start life in a colony without having to borrow. To bring the virgin soil of the *Bar* under cultivation, to clear, level and embank a square of 25 acres, to find the three or four bullocks required for draught, and to purchase the timber needed for the new homestead, can hardly cost less than Rs. 1,000 ; and before the whole farm is in proper trim, a man may very well have to spend twice as much. If then there is a succession of poor harvests, it may be difficult to escape from the hands of the money-lender.

The infant colony of Montgomery is a good instance of the financial difficulties that may beset the early colonist. When he arrived there, he had to cope with the rise in prices due to the War, and, owing to a shortage of rain two years running—even in a canal colony rain is important—he was unable to get the full counterbalancing benefit in the sale of his produce, as there was comparatively little to sell. Large sums have, therefore, been borrowed, and owing to the prevailing scarcity of money this could only be done at from 18 to 25 per cent. rates, which are almost prohibitive to agricultural

*Difficulties of
the Montgomery
Colonist*

development. The result is a considerable amount of debt, which, however, should not be permanent. A good harvest or two, especially if cotton remains at its present price, will soon put him on to his legs again. One reason for this is that the bulk of his debt is productive, and there is a world of difference between productive and unproductive debt. The one fertilizes, the other waterlogs the soil. From the one springs the crop by which debt can be repaid; from the other half the ills that shackle both body and mind. This, as much as anything else, differentiates debt in the colonies from debt elsewhere. Ordinarily it may be doubted whether even 25 per cent. of Indian rural debt is productive. In the colonies it is probably the other way round.

The reasons for the lightness of debt in the colonies must now be considered, and the enquiry will be found to throw considerable light upon the causes of debt. Our analysis of the latter suggests that there are four basic factors which compel the peasant proprietor to borrow :—

1. The smallness of the ordinary holding and its grotesque fragmentation.
2. The profound insecurity of agricultural conditions in a considerable part of the province combined with general improvidence.
3. The constantly recurring losses of cattle from disease or drought.
4. Extravagant expenditure upon marriages and domestic ceremonial.

In addition there are two causes which facilitate borrowing, namely, facile credit and a vicious system of money-lending, both of which will be discussed in subsequent chapters. Now, if our analysis of the causes of debt is correct, we should expect to find most of these factors operating with less force in the colonies than elsewhere. Let us see if this is the case.

Take the question of holdings first. There is no more striking point of contrast between a colony and an ordinary district than the size and form of their respective holdings. In the latter the average is almost invariably less than

Holdings in the Colonies—their Size ten acres. There are only five non-colony districts in which it is more,¹ and in four, Kangra, Hoshiarpur, Jullundur and Rawalpindi, it is less than five. On the other hand, in a colony no peasant proprietor ever starts with less than 12½ acres, and in Shahpur he started with 50 or more. Even now, after a whole generation, the average in Lyallpur is still 18 acres.² It is reckoned that, to live with his family in some measure of comfort, a Punjabi requires from 10 to 12 acres of irrigated land.³ It can, therefore, be understood that life on six or seven acres, not all of which is necessarily irrigated, is a continuous struggle with nature, and that, if there is no other source of income, such as military service or labour abroad, the struggle infallibly ends in the clutches of the money-lender. If anything at all has been established by this enquiry, it is the fact that in the Punjab, as in other countries, it is only by incessant labour and great frugality or by having a second string to his bow, that the small holder can keep out of debt. The importance of this can hardly be exaggerated, and the colonist with his substantial holding and marked prosperity does but emphasize the fact.

The colonist has another conspicuous advantage. His holding is compact: everyone receives a single field and no more. We have only to recall the Jullundur village, whose 12,800 acres are split up into 63,000 fields, to realize the significance of this. Throughout the central Punjab, and in only lesser degree throughout the province, the fragmentation of holdings adds infinitely to the difficulties of the small holder; so much so that, of all the advantages conferred by a colony, it may be doubted whether any is greater than the blessing of the single field. With a single field, a man can look after his crop in a way that is impossible with an indefinite number of strips scattered round the village; and being able to look after it better, he can grow more valuable crops, as the more

¹ viz. Hissar, Ferozepore, Gujranwala, Attock and Multan.

² Information obtained locally.

³ In Europe about 25 acres are necessary for anyone who is not a market gardener (Calvert, p. 82).

valuable the crop the more attention it needs. On the other hand, as Mr. Calvert points out,¹ with scattered fields any improvement in cropping is always a difficulty, for by custom the village cattle are turned on to the stubble as soon as the crops are cut, a practice that does no one any harm as long as everyone grows the same crops and harvests them at the same time. But if anyone introduces a new crop or an improved rotation, he may find his neighbour's cattle straying over his fields before they are cut; and if he drives them off, others may object to his cattle grazing on their fields. Another disadvantage of the scattered holdings is that, when anyone wants to sink a well, he may have to persuade a dozen neighbours or more, whose fields surround the spot, to join in the scheme. With a single field he need only consult himself, and in general the distribution of water, whether from canal or well, is in every way cheaper and simpler. Other advantages of the single field are that better implements can be used—in the central Punjab there are many fields in which the large Raja plough cannot even be turned—and with better implements, labour, now much dearer than it was, can be saved. If desired, too, cartloads of manure can be taken to any part of the farm, as every field abuts on a road, a thing which is obviously impossible where fields are numbered in thousands. Finally, where fields are compact, there will be fewer disputes, as the innumerable thin dividing lines of an ordinary village are replaced by a few clear boundaries that no one can quarrel about. To a profoundly litigious people this is perhaps the greatest benefit of all; and so much are all these benefits worth, that in Shahpur, where the new and the old systems exist side by side, cash rents in villages with compact holdings are considerably higher than in villages where the holdings are split up.²

¹ Op. cit., p. 208.

² Cash rents in colony villages are 50 per cent. higher than those in the old proprietary estates along the Lower Jhelum Canal. This is due (a) to the compact holdings of the former and (b) to the indigenous inhabitant of the latter not having the skill and business capacity of the immigrant colonist. If we assume these two factors to be of equal value, the increase due to (a) will be 25 per cent.

A good-sized, compact holding is perhaps the greatest advantage that colonists have over their cousins elsewhere, and it is an advantage that the high prices of the last decade have emphasized to the full.¹

Effect of High Prices

'He that hath, to him shall be given: and he that hath not, from him shall be taken even that which he hath', is as true of farming as of every other form of business. To the holder of five or six acres high prices have probably been a drawback, as he rarely has more to sell than to buy—the point is a controversial one and is discussed elsewhere;² but they have certainly enriched the colonist, for, thanks to the size of his holding, he has always much more to sell than to buy, and it is this margin between purchase and sale that makes high prices a boon or a bane. In the last ten years prices in the colonies have gone up 55 per cent.,³ and as the total value of their produce in 1921-22 was about £20,000,000 (30 crores), this means a windfall of £7,000,000 to the colonist. How much of this represents an increase in net profit it is impossible to say, but it can hardly be less than three or four million pounds. In 1920, in sympathy with the rise in prices, land touched over Rs. 1,200 (£80) an acre.⁴ This was no doubt a fancy price, but even in Shahpur and Montgomery, where the land is less good than in Lyallpur, the average price paid that year was just under Rs. 600 (£40) an acre.⁵ When we consider that the Lyallpur colonists have been allowed to acquire proprietary rights in their holdings at only Rs. 12-8 an acre,⁶ the wealth of the colony is perhaps explained. The concession, which is probably the most prodigally generous thing ever done by Government, means

¹ In certain non-colony areas the grant of canal water to a village was made conditional upon holdings being partially consolidated.

² Chapter XI.

³ *Jhang Branch S.R.*, 1921, p. 8.

⁴ Rs. 34,000 was obtained per square of 27·8 acres.

⁵ The actual averages were Rs. 599 for Shahpur and Rs. 593 for Montgomery, see *Punjab Colonies Report*, 1921, pp. 26, 28.

⁶ In Lyallpur Rs. 500 an acre is an ordinary price and in good villages it rises to Rs. 1,000 (*Gugera Branch A.R.*, 1922, p. 10). In the Montgomery colony peasant grantees have to pay Rs. 100 per acre for proprietary rights. *Punjab Colonies Report*, 1921-22, p. 13.

a present in capital value of at least £20,000,000 to the colonist. If we need any further evidence of his advantageous position and of the large profits to be made by farming in the colonies, we may cite the case in which, after paying Government a rent of Rs. 54,000¹ for a village of about 2,000 acres, the lessee was able to clear Rs. 40,000 in a single year. It would be difficult to find a better example of the effect of high prices; at the same time it should not be forgotten that this effect would have been far less, but for the size and shape of the colony holdings and for the almost complete security of the water supply.

The enjoyment of an assured supply of water is perhaps the most obvious point of contrast between a canal colony and an ordinary district. It is not, however, so complete a differentiation as the holding, for nowhere outside a colony, nowhere indeed in India, do we find the same system of large compact holdings; whereas there are a few districts, for instance, Amritsar, where the supply of water has been more or less secured by a combination of canal and well. Even in a colony, too, the vagaries of the rainfall cannot be ignored, for the distribution of canal water always assumes that it will be average, and its failure may therefore make all the difference between a sixteen and an eight anna crop. Thus, if a large measure of security is sometimes found outside the colonies, they themselves contain an element of insecurity. But, broadly speaking, the colonies are secure and most of the rest of the Punjab insecure. When this insecurity reaches the pitch described in the last chapter, it has a demoralizing effect upon agriculture and is an undoubted cause of debt. Contrariwise, the security that the colonists enjoy is an important cause of their comparative freedom from debt. Everywhere else the harvest may fail, but in the colonies the fields will always be sown and there will always be something to take to market; and, even when this is less than usual, the higher prices that come with general scarcity do much to redress the balance.

¹ This includes water rate as well as actual rent.

We have stated above that it is the combination of insecurity and improvidence that is one of the four basic causes of debt. In a hot country the two are intimately connected, for insecurity makes cultivation a gamble in rain and gambling inevitably produces the gambler's habits. If this view is correct, we should expect to find less improvidence in the colonies than elsewhere. It is generally agreed that this is the case, and the following is a good example of the difference. A colonist, returning to his home in Jullundur with Rs. 2,000 in his pocket, wanted to deposit it with his village bank at the usual rate of six per cent. The bank, however, afraid of so large a deposit, would only take Rs. 1,000, and advised the colonist to deposit the rest with the local central bank. To this he demurred on the ground that the latter would only give him five per cent., and he added that the difference of one per cent. would pay for his railway ticket to Lyallpur and back. This trifling incident is eloquent of the change that has come over the mind of the agriculturist in the last 30 years. A generation ago it would have been impossible, but now there are thousands of colonists who deposit their savings with either Bania or bank. The Lyallpur Central Co-operative Bank alone has $8\frac{1}{2}$ lakhs in deposit. Moreover, throughout the Lyallpur Colony the cultivator has begun to hold up part of his produce on the chance of a rise in the market. In fact, the Indian agriculturist has at last begun to look ahead.

Of the remaining causes of debt not much need be said. Cattle, of course, die unexpectedly in a colony as everywhere else, but the heavy mortality from drought, a constant nightmare in the southern Punjab, is happily impossible where irrigation is assured; nor, in the dry healthy atmosphere of the rainless *Bar*, is cattle disease as serious a menace as in the rain-drenched tract at the foot of the hills. On the other hand, expenditure upon marriages is much the same as in the central Punjab. This is natural, as most of the colonists come from there, and in all social concerns every colonist still belongs to his

*Remaining
Causes of Debt*

original district. In a colony, too, the scarcity of women is at its worst, and, money being plentiful, brides are correspondingly dear.¹ For a Sikh the price will rarely be less than Rs. 2,000, and the marriage itself may cost half as much again. In Montgomery many who went single are now in a position to purchase a wife, and an increase in the number of marriages is said to be the most obvious effect of its prosperity. In this way, the colonies with their brisk demand for brides have undoubtedly tended to raise the cost of marriage¹ for the whole of the central Punjab, and in doing so they have accentuated an important cause of debt. In every other respect, however, the reverse is the case, and a significant instance of this is the money-lender, who is less powerful in Lyallpur than anywhere else. Village banks, education, and prosperity have all undermined his influence, and, though still a danger, he is no longer a blight on the countryside. Thus our examination of colony conditions shows that, while debt is light, most of the factors that force a man into debt are proportionately weak. This encourages the hope that the main causes of debt have been correctly gauged. We have now sketched the main economic features of the colonies, and we have seen how a vast waste of nearly 5,000,000 acres has been converted into the most thriving rural community in India. 'God has said,' so runs one of Akbar's *Sanads*, 'from water all things are made. I consequently ordain that this jungle, in which subsistence is obtained with thirst, be converted into a place of comfort.' How comfortable the colonies have become we shall see in the next chapter.

¹ In Lyallpur there are only 792 females per 1,000 males, against a provincial average of 828 (*Punjab Census Report*, 1921, p. 235).

CHAPTER VIII

THE RISE IN THE STANDARD OF LIVING

THE Lyallpur Colony is the richest tract in India, perhaps even in Asia. To a large extent this prosperity is a windfall. But for the canals the tract would have remained a waste; but for high prices the profits of the last ten years would have been markedly less; and but for the generosity of Government, the land, which is now worth Rs. 500 an acre, could never have been acquired at a nominal price. On the other hand, without the resolution, industry and skill of the first settlers, the 2½ million acres that form the colony could never have been turned into one of the granaries of the world. The colony thus offers a remarkable example of the beneficence of a wise Government turned to admirable account by the labour of a hard-working peasantry.

It is now proposed briefly to examine the use that the colonist is making of his prosperity, and in doing so to glance at the rise in the rural standard of living that has taken place through most of the province in the last 20 or 30 years. The subject is of importance, since, when a standard of living has been stabilized for centuries, a sudden rise is likely to have far-reaching effects. Dormant forces are awakened and the competitive struggle for life begins: those who fare badly envy those who do well, and those who do well are dissatisfied that they do not do better. Discontent (sometimes called divine) is liable to become general, and if it coincides with political change, the new wine may burst the old bottles. Below a certain standard of living men tend to be inarticulate, but once they rise above this point they not only feel but assert their grievances. The history of the peasant in Germany and France contains more than one warning of this. For instance, the German Peasants' War of 1524 took place, not in the north and east, where the peasants were little better than serfs, but

in the west and south, where they were 'accustomed to well-being and where their holdings were thick on the ground'.¹ In the Punjab last year² we had a hint of a similar possibility in the Sikh Babbar Akali movement, with its outbreak of lawlessness in the prosperous districts of Hoshiarpur and Jullundur. Though political in aim, it can hardly have been a mere coincidence that the movement appeared in the two districts where holdings are smaller than almost anywhere else in the province and where the standard of living is unusually high. It may be guessed that the ex-soldiers and returned emigrants who mainly supported it were discontented because, with only a few acres each, they found it difficult to gratify the new tastes acquired during the War, and the same impulse may very well be at work amongst the hundreds who are now³ tramping across the central Punjab to Jaito. A less alarming but equally significant feature is the eagerness to emigrate displayed by thousands in the central districts, which is mainly due to the fact that, as the standard of living rises, population is increasing and holdings shrinking. From every point of view, therefore, the rise in the standard of living is of importance.

Before describing things as they are to-day, a word must be said about the past. We have already seen how the Janglis lived a generation ago and how men still live in the western Punjab. Sixty or seventy years back most of the province was no better off, and all a man's desires might be summed up in the words of the Karnal villager: 'Let me see ten good oxen and ten maunds of mixed grain, the milk of a buffalo and some sugar to stir into it, and a fair assessment after harvest: God give me so much, and I won't say another word.'⁴ In those days few cultivators had more than two meals a day, and for the most part life was sustained on cakes of flour made of wheat or millet, flavoured with turnip, onion or melon (according to the season), and washed down with buttermilk. Dress, too, was of the simplest, and of a comparatively prosperous district like Sialkot we read that

*The Old
Standard*

¹ Irvine, op. cit., p. 78. ² 1923. ³ April, 1924. ⁴ *Karnal S.R.*, 1883, p. 138



THE VILLAGE WELL — CHAK 208

'a *langottee* of white or blue cloth round the loins, a scarf over the shoulder, a *pūgaree* of limited dimensions and a pair of shoes compose the daily suit of the majority'.¹ The *kurta*, or shirt, which everyone wears to-day, is not even mentioned. Much the same is true of Ambala further south. 'The dress of the men consists of a turban, a *dhoti* or cloth fastened round the waist and drawn up between the legs, shoes, and in the cold weather a sheet or counterpane stuffed with cotton. Only a few of the better dressed men wear the jacket or coat, so common in other provinces.'²

Once the poorest province in India, the Punjab is now probably the richest. The quickest way to realize this is to visit a thriving colony village. Round Lyallpur few can be better off than Chak 208,³ where the Ludhiana Sikh may be seen at his best. It is early spring, and we approach it through fields of young wheat stretching away to the horizon in a sea of green, splashed with the brilliant yellow of the mustard flower and broken by islets of sugar-cane. A track just broad enough for a bullock cart takes us through a young orchard, and a moment later we are walking down one of the two main streets of the village, with high, clean mud-plastered walls on either side; and, as we pass, we catch glimpses through the almost noble gateways of roomy courtyards full of children and cattle. As in the Jangli village already described, the two streets form a cross, meeting at the village well in the centre, and instead of the usual crooked ten-foot lane they are 40 feet wide, and run straight from end to end, so that in the stifling heat of summer the slightest breeze finds its way into the heart of the village. The well where they meet has an imposing masonry crown, fitted with cisterns and taps which are kept running for three hours every morning. A water-carrier is employed with his buffalo for the purpose, and at harvest time, after the simple manner of the country, each

¹ *Sialkot S.R.*, 1865, p. 19.

² *Ambala Revised S.R.*, 1853, p. 87.

³ Every village in the colonies has a number instead of a name. Shades of our ancestors, who gave every wood, field and hill in England its appropriate name!

villager gives him 32 lbs. of grain for every water-pot in daily use. The saving of time and trouble is immense, for it is a tedious business to have to draw water every day for the whole family from a depth of 50 or 60 feet. Another good instance of the spontaneous co-operative effort, which is characteristic of Indian village life, is the building of a fine red brick *gurdwara*, at a cost of Rs. 3,000 (£200), where the Sikh Bible, the *Granth Sahib*, is housed in a spacious room, 35 feet long, the floor of which is covered with excellent matting made in the local jail. If there is a wedding with many guests, the *Granth Sahib* accommodately makes way for them and remains in a smaller room till they depart. The head of the village is the *zaildar*,¹ who, with his 200 acres, which he farms himself, is something of a landlord. His style of living is very different from anything that could have been found 30 years ago. Instead of the usual mud-plaster, his house is made entirely of brick and has an imposing gateway, vestibule and porch, all in one, supported on iron girders brought from Karachi, and fitted throughout with well-seasoned timber felled in the distant hills. On either side of the porch is a good-sized room for guests, and in his own room were comfortable English chairs, a duplex lamp, hat pegs, and even a set of account books. In Ludhiana, he explained, he never kept accounts, but now that he has to farm 200 acres he cannot get on without them. It is rare in the Punjab to find a man farming more than 50 acres himself, and in this case most people would have put in tenants. But, instead of this, he associates with himself a number of cultivators, who each get one-ninth of the produce of the area they cultivate. He has thus been able to reap the full benefit of the high prices, and the simple yet ample comfort in which he lives is the result.

As everywhere in the colony, wheat, cotton and sugarcane are the chief crops.² Over 2,000 acres are under cultivation, and the area is distributed amongst 89 families, who

¹ The headman of a group of villages.

² Forty-four per cent. of the Chenab Colony is under wheat and eight per cent. under cotton.

(excluding the *zaildar*) cultivate an average of 22 acres apiece.¹ Compare this with the five- or six-acre average of the central Punjab. Moreover, when an owner dies, his land is not cut into strips varying with the quality of the soil, but is divided into no more fields than there are heirs. There are ten *pukka* brick houses in the village, and even those made of mud and plaster look unusually well built.

The only person in debt to the village bank—co-operation is well established—is a man who had recently borrowed Rs. 600 for a wedding. Everyone I saw was well clothed, and three meals a day with an abundance of milk—a large number of buffalos are kept—is said to be the rule. Meat, though not eaten every day, is common enough. Relative to their needs, these villagers are probably better off than most peasants in southern Europe, and in far better case than the professional classes now are in central and eastern Europe, who would be thankful for the milk alone. Even the labourers are prosperous. In the western Punjab we saw that Rs. 5 a month, with a blanket and a pair of shoes at the end of the year, was all that a man could expect. Here, and in the colony generally, he gets twice that amount and food and clothing as well; and if he is sufficiently skilled to work in a garden, he may get as much as eighteen or twenty rupees a month. Hours of labour, too, are less exacting, and better work is done in consequence. A marked improvement in the condition of the labourer, both in housing and food, is reported from most parts of the province, and is one of the most satisfactory features of the rise in the standard of living.

All through the village there is an atmosphere of development. Already one of the new generation has matriculated, and four more have been in for the examination, though without success. The school is well attended and is an integral part of the village. Agriculturally there is every sign of progress. Good seed is obtained from the farm at

¹ The average holding for the district is 18 acres (p. 149). The village is, therefore, fairly typical. Its total area is 2,611 acres, of which 386 are pasture, 50 are village roads, and 39 are occupied by the village.

Lyallpur, and a large number of modern implements are in use, including, it is said, five chaff-cutters, 14 reaping machines and 15 bar-harrows, which, as we shall see in the next chapter, is far above the average. Four of the reaping machines have been purchased by groups of villagers acting together, as they cost more than the ordinary proprietor can afford. A pleasant sight are the young orchard gardens springing up round the village, with their promise of oranges, bananas and loquats. The taste for gardens is spreading and is in part a result of the War, when many a Punjabi enjoyed the luscious fruit of France. Less attractive, but possibly more useful, is the flour mill, with a hiccuping oil engine run by the local blacksmith. Costing from Rs. 1,500 to Rs. 2,000, they are now to be found all over the colony, and everywhere the air is full of their hiccups. As I was leaving the village, an old zemindar begged me to remove the local mill, as it kept him awake at night, and the smoke—he slept on the roof—was ruining his eyes. He was too old (and perhaps too wise) to be willing to pay the price demanded by ‘progress’ in a mechanical age even for the smallest advance.

As in the Jangli villages, there was not a word of gratitude to Government. On the contrary, ‘Look how Government has scored’, they said; ‘the district used to pay a lakh of land revenue and now it pays a crore’. They evidently thought that Government, like an old-fashioned raja, put the whole amount into its pocket. The attitude is characteristic of the times, and recalls the age at which the adolescent boy is tempted to deny all obligation to his parents. It contains, too, a hint of the discontent which, as we have already remarked, is but too apt to accompany a rise in the standard of living. As long as life continues unchanged, it occurs to no one to complain—I heard more complaints in the prosperous canal colonies than in the impoverished western Punjab—but once change begins, people cannot bear it to stop, and, if it stops to their disadvantage, Government is invariably blamed. Already people are beginning to regard it as a grievance that Government does not give them more land.

This village represents the high-water mark of rural comfort and development in the Punjab. That is why it has been described at length. At the same time it is by no means an isolated case. There are hundreds of villages as prosperous, though few quite as progressive. Everywhere in the colonies brick houses abound and luxuries, unknown not many years back, are fast coming in. A rug now often covers the *charpoy-bed*; on the floor a well-woven *durrie* takes the place of the old dirty matting, and, if a man has a plenty of land, a *punkha* goes up overhead. Since the War, too, when men had to travel far and wide, has come a taste for travel. The villager may now be seen going off to view the sights of Delhi and Agra, and the beauties of Kashmir. Some even will go as far as Bombay. When, after the War, cloth touched a fabulous price, a large number of co-operative societies joined together to purchase it direct from Bombay, and half a dozen of their members, ordinary cultivators, went off there for the purpose. On the whole, however, wants are still simple enough: a good house, a mare, occasionally a wife, and above all land, are the main objects for which the cultivator desires wealth. Amongst the Sikhs a good deal is spent upon drink, a point that is made against them by a local poet in a popular ballad:—

“To the Sikh have been given lands,
But now up to their ankles in poverty
Lo! they prosper before mine eyes,
Drink wine and roam with curled moustaches.”

The Sikhs' love of drink is, of course, notorious. It arises partly from the fact that they work harder than anyone else, and hard work requires a stimulant. Drink is not, therefore, the demoralizing influence that it is in Ferozepore and Kasur. A healthy public opinion, lacking in the latter, helps to keep it within bounds, and some classes are even said to drink less when they come to the colony. Money is wasted, of course, in the colonies as everywhere else, and in the year or two after the War, when silver at least was nothing accounted of, there was much extravagance. Thus, in a report of that time we read of a number of colonists subscribing together to

get dancing-girls from Sialkot, to celebrate the wedding of a pair who could not afford to do it themselves.¹ But it is a sign of the times that with most the *nautch* is no longer considered an indispensable part of a wedding, and even the extravagant Sialkotis are giving it up. A main reason for all this is the spread of education. Throughout the colony there is almost a thirst for it, and that it is no mere desire for Government service is shown by the fact that, with the full consent of the people, compulsory education has recently been started in a few selected areas, both in Lyallpur and Shahpur.

The influence of the colonies upon the province can hardly be exaggerated. It is not for nothing that Lyallpur

The Rise Outside the Colonies is the daughter of the central Punjab, as Shahpur is of the north and of the west. From

Amritsar alone over 100,000 have migrated to the *Bar*; and in all the surrounding districts, if a cultivator has a *pukka* house, or better cattle than his neighbours, or a deposit in his village bank, or is using improved seed, it is ten to one that he has colony ties or has made money abroad. Even before the War the Lyallpur Colony used to remit over 20 lakhs a year; if, then, the standard of living has risen in the colonies, it has naturally risen outside them as well. But the wealth acquired in the colonies is not the only factor in the case. The construction of 3,000 miles of metalled roads and of 5,000 miles of railway, the bridging of seven great rivers, some of them more than once, the maintenance of a well-paid army largely recruited from the province, the steady income derived from those who have emigrated to Australia, China, and America, and above all the opening of the world's markets to the cultivator, have all had their share in the process; and without these factors the rise in the standard of living must have been seriously checked by the 22 per cent. increase in the population. What this rise of standard actually means, few of us perhaps could say in detail. It may, therefore, not be out of place to give the result of general enquiries recently made in different parts of the province, but mainly relating to the central Punjab. The subject will be treated

¹ *Punjab Colonies Report*, 1921, p. 16.

under the three obvious heads of housing, clothing, and food; and of these food will be taken first, as it is the basic need.

'He that eats a seer', says a Multan proverb, 'works like a lion, but he that eats only a quarter of a seer works like wood-ashes.'¹

Food Vegetarians and ascetics may think that the less they eat the healthier they will be, but this is certainly not the case with those who have to live by their hands. Even in India, where on the whole men perforce eat less than they should, the more exacting the labour the ampler the diet. At harvest-time, for instance, when everyone works twelve hours a day, meals are squarer than usual. If, then, a higher standard of work is to be maintained, as agricultural progress demands, it is important that more food should be available. Thanks to the canals, this is the case, and, though most people deny that the cultivator eats more than he did, all agree that his diet has gained in variety and refinement. There are, as we have seen, still parts of the Punjab where many live with 'hard and pinching diet', and everywhere in times of scarcity (outside the colonies) belts have to be tightened; but for the most part, where two meals a day used to be the rule, it is now frequently three; and, as in England 200 years ago,² wheat has now become the staple food of the country. Maize, millets and barley are still consumed in their season, but to a much less extent than before, and there are many who use nothing but wheat all the year round. Another marked change is the greater abundance of vegetables, due to the spread of irrigation, without which in the Punjab they cannot easily be grown. Every kind of vegetable is now available, and cabbages, cauliflowers, potatoes, spinach and peas are all in demand. Where, too, the mango and the melon were the only fruit, there are now few villages, in the central Punjab at least, to

¹ *Khawe ser kamave sher khawe pa kamave swah.*

² It was from 1700-50 that in England fine wheaten bread, previously a luxury of the well-to-do, became the staple food of the greater part of the country (*Economic Journal*, 1922, p. 331).

which the orange does not penetrate, and for the well-to-do there are apples, pears and bananas as well. In spite of the vegetarian proverb—'Eat meat and you are done' (*khāwe mas, howe nās*)—more meat is eaten than before, especially amongst Muhammadans,¹ and in many Sikh families it is no longer good form to offer *gur*² at a wedding: the more refined *shakar* must take its place. Finally, in some districts, notably in Ludhiana and Hoshiarpur, people are taking to drinking tea, a habit introduced by the soldier on his return from the War.

After food come clothes. In the West it is sometimes supposed that people in India want few, if any clothes at all.

Clothing In the Punjab, with its extremes of heat and cold, this is certainly not the case, for in January the wind will cut through the thickest clothes. It is something, therefore, to know that the *kurta*, or shirt, once hardly seen, is now worn even by the poorest, and that most people have more bedding than they had. The old coarse woollen *bhura* has been almost displaced by the blanket, and here and there the English pillow has appeared. In dress the coarser materials are giving way to the finer. Under Mahatma Gandhi's influence country cloth came into fashion again, and in Muzaffargarh and Dera Ghazi Khan, and to a great extent in the north, it is still the rule; but elsewhere machine-made cloth is more and more taking its place, and there are few now who have not at least a muslin pugaree to wear on State occasions. Change has gone furthest of all in the zenana. The short economical *choli* is being replaced by the longer, well-cut *kurta*; the voluminous *gaggra* by the lighter pyjama or the muslin *salwar*. Clothes now go oftener to the wash—in the old days some are said never to have been sent at all—and all but the smallest villages have their dhobi (washerman). Shoes, formerly a luxury, are now a necessity, and to go barefooted is a mark of extreme poverty. In the old days a pair of shoes was only kept for a wedding, a funeral or a long journey, and even among the well-to-do

¹ In the northern Punjab it is still eaten only on special occasions.

² Raw sugar.

many women were glad enough to get their husbands' cast-off shoes. Now some are not content till they can trip about in the zenana in a pair of fancy slippers. Jewellery, of course, is in greater demand than ever, and all agree that gold is tending to take the place of silver. In 1920 a goldsmith of Gujranwala, one of the more prosperous districts, told an official that he was selling the cultivator more gold in a day than he used to sell him silver in a month.

In the East, owing to the climate, housing is of much less importance than food or clothes. Yet of the three it is perhaps the best measure of a country's civilization. In nothing is the old rural civilization of England more delightfully apparent than in the country cottage, with its mixture of cleanliness, beauty and comfort; and in nothing is its urban civilization of to-day more wanting than in the endless rows of ugly, dirty, jerry-built tenements in the towns. It might almost be said, 'By their houses ye shall know them'; for, from a man's house radiates an influence which, for good or bad, subtly affects his whole life. This is naturally much less true of Indian villages, where life is so largely spent out of doors that it might almost be said that a man's house is the sky above and the earth below. Still, it is not an influence to be despised, and it may well become an incentive to effort, for, once a man becomes accustomed to a decent house, he will not willingly forgo it; and, to make it possible for his children to live in the same way, he will probably work harder than if he lived in a hovel.

At first sight there is not much change to note in the village house. The flat-roofed, mud-plastered building with its single storey is still the general rule, but here and there, especially round the towns, the two-storeyed, red-brick house is beginning to be a feature of the landscape. In the old days the *pukka* house, as such houses are called, could no doubt be found, but it was usually rare enough to provoke enquiry as to the owner, and the almost invariable reply would be—the village money-lender. Now, as often as not, in the central Punjab it belongs to some cultivator who has

made money in a canal colony or as an emigrant abroad. Owing to the growing popularity of this kind of house, brick-building, which thirty years ago was hardly known in the village, is fast becoming a village industry, and masons and carpenters are of all men the most difficult to procure. At the same time the old unfurnished, low-roofed hovel, with dark dungeon-like cells, is slowly yielding to the well-timbered house, with windowed rooms which are by no means bare. Almost everyone has a larger stock of metal utensils than before, and many boast a chair or two, a bit of crockery, a lamp, and occasionally even a clock; while, if a member of a family has served in Persia or Irak, there may be a valuable rug as well. Another significant change is that, when the cultivator goes to town, he is not as content as he was with the low-class *tandur*,¹ but has begun to put up at the hotel. Still less is he prepared to do any part of the journey on foot: he drives to the station in a *tum-tum*, and, when he gets there, he may sometimes be seen getting into a second-class carriage, *huqqa* and all. Many of these changes are due to the War, which revealed to the Indian villager who served in France an entirely new standard of housing and comfort. He saw there with astonishment and envy how well the peasant proprietor can live, and, returning to his village, beheld its cattle-shed life with a tinge of disgust.

The women are said to have gained more than the men from the rise in the standard of living. In the old days they had both to spin and to grind for the whole family, and in addition to cook, take the men-folk their meals in the field, sweep out house and byre, chop up the fodder and feed the cattle, as well as look after the children. Now the grinding is largely done by bullock, if not by engine, and what was woman's chief task falls indirectly upon the man. Gone, too, are the days when to buy your clothes was a mark of extravagance and pride, and as the machine-made cloth comes in the spinning-wheel goes out. Moreover, with the growing refinement in dress, there is less inclination to perform the more menial tasks.

¹ Small baker's shop used as an inn.



CHURNING

Instead, more time is given to embroidery and weaving, and, as some say, to gossip. These are only tendencies, but they have been accentuated by the War, during which many soldiers' wives found it possible to live on their husbands' pay in comparative luxury and idleness. Women have certainly profited by the rise in the standard of living, but as wants increase men are beginning to be harrassed by the little worries of life that come with the multiplication of possessions. 'The nomad is free from troubles, for he lives in a thatched hut', says the Jangli proverb; and those who live in *pukka* houses and dress in fine linen, learn all too soon that there is a price to be paid for this as for everything else. Round the village the young may still be seen as merry as ever, playing some immemorial game or elementary, new-fashioned cricket on bumpy ground, but their fathers give less time than they did to wrestling, *kabaddi* and the time-honoured fair; and even in the north, where on occasion men will still turn out in their thousands for tent-pegging, the art is not quite as popular as it was. On the whole, though, what is said above applies more to the central Punjab than to the rest of the province; and in the south women are reported still to work harder than men, who love to sit over the *huqqa* for hours. The reason for this is that there is much more canal and well irrigation in the central districts than in the southern, and this means more continuous labour and a stronger habit of work.

In the central Punjab at least, the best judges agree that the cultivator works harder than before. On the one hand,

<i>Does the Cultivator Work Harder than Before?</i>	the dearness of labour makes him do things himself which in old days would have been left to labourer or menial; and on the other, the high prices that till recently prevailed spur him on to get all he can out of his land. The effect of this may be gathered from the following passage, which expresses the view of perhaps the best informed of those who have made enquiries for me on the subject. My informant is a landowner, a graduate and an official, and for some years has been working in the central Punjab. He speaks, therefore, with unusual
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knowledge and experience, but it must be remembered that what he says was written before the recent fall in prices.

'Many a kind of labour', he writes, 'which was formerly left entirely to the village sweeper or menial, and which was looked down upon, is now often done by the cultivators themselves. It is a common sight to see their families doing the *udai*—separating the grain from the straw after it is thrashed—with the winnowing basket on their heads. A cultivator owning 50 canal-irrigated acres tells me that he saved 15 maunds of grain by getting his sons to do this work. In the old days the village sweeper or some other menial was always employed as fuelman, for converting the juice of the sugar-cane into sugar, but he is now being ousted by the cultivator's son, whose father has learnt to realize that a wage of $1\frac{1}{2}$ seers a maund means a saving of two rupees for 12 hours' work. The cultivator mentioned above calculates that he and his family saved Rs. 130 in this way. The seasonal agricultural labourers, who used to make a good deal during the spring harvest, complain that they find each year duller than the last, because the cultivator has realized that a bushel a day in wages (he is generally paid in grain) means Rs. 4 a day or more. High prices are an incentive to harder work, and cultivation is now attracting greater care on the part of the cultivator. The sugar-cane, which got only three weedings when *gur* fetched Rs. 5 a maund, gets five or six now that it sells at ten or eleven rupees a maund.¹ The cultivator sees more clearly than ever that an additional yield of one maund per *kanal* means an extra Rs. 100 an acre. One more fact helps to bear out my point. The Bisakhi festival each year used to take two full days of the villager's time; this year (1922) it came at a very busy time, and only small children were allowed to attend the fairs.'

This no doubt represents the spirit of the few rather than the habits of the many, and throughout this chapter it is important to remember that, when we speak of change, it is still confined to the minority. All change, however, begins with the few, and, if the causes that promote it continue, and

¹ The price of *gur* has dropped considerably since this was written.

if it is in harmony with the disposition and habits of the people, it will eventually leaven the whole. In this case it may be doubted whether either the causes will continue—prices have already fallen—or whether in a hot climate mere material gain is a sufficient incentive to harder work. 'In this country', says Mr. Calvert, 'people will accept a low standard of living with small exertions rather than strive after a higher standard by greater exertions', and he also notes a 'tendency to reduce the area cultivated, if the same profits can be obtained from a smaller area.'¹ Mr. Keatinge notes the same tendency at work in the Bombay Presidency. 'It is a matter of general comment', he says, 'that whole classes of cultivators, who formerly used to do their own field work, have now ceased to take any active part in field operations.'² In both cases the tendency is evidently due to the high prices, which have made it possible for many to satisfy their modest requirements by living on the higher rents that high prices bring, instead of cultivating the land themselves, as they were obliged to do before in order to make both ends meet. From this point of view it is a bad sign that in the Punjab the area under tenancy is increasing, and that in the last Census decade the number of persons living on agricultural rents has increased from 626,000 to over a million.³ On the other hand, in the Lyallpur Colony, as we should expect from its vigorous peasantry, the precise contrary is the case; and even elsewhere, a large proportion of the tenants who are increasing their holdings are themselves owners, who see in big prices an opportunity to improve their position. To this type of man and to the tenant generally, high prices, as Mr. Calvert says, are 'acting as a stimulus to greater exertion and greater interest'.⁴ It is much the same motive that has led to the recent remarkable increase in the number of masonry wells. In the first decade of the century their number actually declined, but in the next ten years they increased

¹ Op. cit., pp. 47 and 96.

² Op. cit., p. 146.

³ *Punjab Census Report*, 1921, paragraph 223.

⁴ Op. cit., p. 119.

by over 25,000.¹ This fact reinforces the view that, in the central Punjab at least, more work is being done, as most of the great well districts are in that area, and every new well obviously means more work.

On the whole, then, so far as the central Punjab and the canal colonies are concerned, there is every reason to believe that more work is being done; and from what we know of the sturdy north we may guess that the same is the case there as well; and, even in the backward south-west, it is significant that in Multan the number of wells has increased in 20 years by 42 per cent. At the same time there are indications throughout the province, outside the colonies, that for many small holders the higher standard of living rests less upon an increase in production than upon the inflated value of land, which makes it easy to borrow. In a later chapter we shall see that, hand in hand with the rise in the standard of living, debt has seriously increased, and that the two are not impossibly inter-connected. Meanwhile, it is evident that the whole question is one of great importance for the future, as, with an increase in population and possibly falling prices, no standard of living can be maintained for long without continual increase in production, and in this hard work is an essential factor. For, as Mr. Keatinge remarks, 'if every economic advantage gained is to be the signal for relaxation of effort, if improved methods of farming are to serve not only to increase the crop, but also to swell the ranks of non-workers, is any marked progress possible?'² Clearly not. The old standard of work must at least be maintained; and if there is to be a permanent advance, there must also be knowledge and skill, and capital enough to apply them to the fullest advantage. In a word, if men who live in villages want a more civilized life, there must be agricultural progress.

¹ Masonry wells.

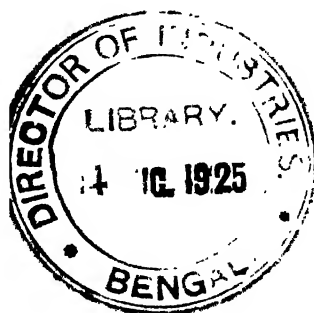
1901-1902	..	..	..	246,284 (includes former Delhi tehsil)
1911-1912	..	..	..	243,853
1921-1922	..	..	..	269,623

(Figures kindly supplied by the Director of Land Records.)

Op. cit., p. 148.

For the moment, perhaps, the matter is of less urgent importance for the Punjab than for the rest of India, as there are still three million acres or more to be colonized. But when this area has been filled up, the question of how an increasing population and a higher standard of living are to be reconciled will have to be faced. If the cultivator is prepared to work both harder and more intelligently than before, no serious difficulty should arise. But if he continues opposed to progress, population must sooner or later increase faster than production, in which case one of two results will follow. Either there will be a struggle for the land that is not enough to go round, or the standard of living will decline. Russia, with its great upheaval, following an immense increase of population, is probably an instance of the former, as the Ireland of a hundred years ago, sinking back into poverty after the prosperity of the Napoleonic wars, is a case of the latter.¹ The question of agricultural progress is therefore of vital importance, and it will be considered in the following chapter.

¹ See Mr. George O'Brien's article in the *Manchester Commercial Supplement*, on 'Ireland', dated 15th March, 1923.



CHAPTER IX

AGRICULTURAL PROGRESS

It is beyond the scope of this study to examine at length the conditions upon which all agricultural progress depends, nor is it necessary since, so far as the Punjab *Possibilities* is concerned, it has recently been admirably done by Mr. Calvert in his book, *The Wealth and Welfare of the Punjab*, to which frequent allusions have already been made. According to Mr. Calvert, everything is possible to the Punjabi, if he will only organize his resources and apply to his land the industry, intelligence and science of the West. Man's fortune, he says, is in his own hands, and, if he remains poor, it is not the fault of Government—we are earnestly warned against confusing agriculture with politics—nor even the fault of the land, for the Punjab, with its two harvests a year, is a richer country than England was when it was in a similar stage of development. The responsibility lies with the people themselves, and more immediately with their leaders, whose duty it is to study the land and its problems. Ultimately the human factor is the supreme factor, and, if only some system of education can be devised to suit the peasant and his plough instead of the babu and his pen—if, too, the resources of science can be brought to the village, and the brains and the capital of the town can be placed at the service of the country, there is no reason why the Punjab should not take its place amongst the most prosperous provinces of the Empire.

Great the venture and fair the prize; and there are half a dozen countries to prove that the prize may be won. But, lest we despair when we see the little *Indian Fatalism* achieved, one or two commonplace facts must be stressed. With the exception of Japan, all the countries upon whose experience Mr. Calvert mainly relies have an invigorating climate; and, with the possible exception of

Belgium, all have long enjoyed a reasonable measure of political security. In the Punjab the precise contrary is the case. For half the year the heat is overpowering, and for centuries invader after invader has poured across its plains. And what is true of the Punjab is true in varying degree of the whole of India. 'The extraordinary security of our modern life in times of peace,' says Professor Gilbert Murray, speaking of the old Greeks, 'makes it hard for us to realize . . . the constant precariousness, the frightful proximity of death, that was usual in these weak, ancient communities.'¹ For anyone who has lived in India this insecurity is not difficult to understand, and it is the key to the fatalism of the East. Gripped by a relentless climate, for generations scourged by famine, pestilence and war, his wealth at the mercy of every despot's whim, his cattle a prey to disease and drought, his crops periodically devastated by blight and flood, serving, too, not the gentle goddess that Nature is in the West but a volcanic force of terrific power and wild caprice, how could the Indian cultivator be anything but a fatalist? In such conditions progress is impossible. Knowledge, skill, energy and capital, the four requisites of all advance, must appear of little avail when man is infinitely weak and nature overwhelmingly strong. 'The only way to escape destruction', says Professor Murray, 'is to win the favour of the prevailing powers . . . to flatter the despot, placate the fate or angry god that is sending the famine or pestilence.'²

Seventy-five years of British rule have not changed the instincts of centuries, but they have at least given the country the one thing indispensable to progress, namely, security. 'As long as most of the inhabitants of the world live in a state of sordid insecurity', says a well-known writer on finance, 'there is little chance of getting the best out of them.'³ The security given by the *Pax Britannica* embraces every

¹ *Four Stages of Greek Religion*, p. 113.

² *Op. cit.*, p. 113.

³ H. Withers, *The Business of Finance*, p. 8.

activity of life. Politically it is sufficiently obvious, and agriculturally the change is almost as great. Once mainly dependent upon a scanty and uncertain rainfall, the province is now protected, to the extent of nearly half its cultivated area, by canal or well, and, though the danger to cattle remains, the spectre of famine is almost laid. Owners, too, who in the old days could be ousted by a stroke of the pen (or a blow of the sword), are now secure in their tenure, and all who cultivate the soil, whether owners or tenants, are sure of the fruits of their labour. Moreover, the markets of the world are open to their produce, and, instead of glut and dearth succeeding each other with almost equally disturbing effect, a surplus is never wasted and scarcity is always relieved. Finally, capital can be raised with almost fatal ease upon the greatly enhanced value of land, which in the latter days of the Sikh had little if any value at all. The whole framework and order of society are changed, and men are no longer entirely at the mercy of Nature and of Fate. In the canal colonies the change is the greatest of all. 'Where the water is, there is God' said a colonist to the writer, illustrating in almost Biblical phrase the profound change made by the canal. The man-made canal is beginning to take the place of fate in men's minds, and it is only a step from this to realize that, if man can make the canal, he can do much else besides; and that it is not 'as God wills'¹ but as man works that he will be rich or poor. We are no doubt far from this yet, but it is generally agreed by those in a position to judge that, in the colonies at least, *kismet*, or fate, is no

¹ The following passage, which is taken from Tolstoy's *Anna Karenina* (Vol. i, p. 175, translation by Constance Garnett) and which refers to a Russian landlord who is full of zeal for agricultural progress, shows that the Russian and the Indian peasant have a good deal in common :—

'The bailiff listened attentively, and obviously made an effort to approve of his employer's projects. But still he had that look that Levin knew so well . . . a look of hopelessness and despondency. That look said: "That's all very well, but as God wills." . . . It was the tone common to all the bailiffs he had ever had. They had all taken up that attitude to his plans, and so now he was not angered by it, but mortified, and felt all the more roused to struggle against this, as it seemed, elemental force continually ranged against him, for which he could find no other expression than "as God wills".'

longer quite the fetish it was. The change is one of the subtlest influences now coming into play, and, as it spreads, will do more than anything else to make agricultural progress possible.

There is, however, another difficulty to be faced. In India religion bids a man turn his back upon all material advantage, and, if he is a Hindu, regard everything as a mere manifestation of illusion. As *Religion and Progress* Sir Rabindranath Tagore expresses it, 'Indian civilization is penetrated with an abiding sense of the infinite'.¹ Progress, on the other hand, is essentially concerned with the finite, and bids a man multiply his possessions, in order that he may add to his comforts. This is a doctrine that makes but little appeal to the cultivator, who feels, with the experience of centuries, that, however many his possessions, he cannot add much to his comfort in a climate that sooner or later destroys all effort and wealth. His aim, therefore, has always been to guard and preserve rather than to improve and enlarge, an attitude indeed that till the end of the eighteenth century was well-nigh universal. 'The whole world then', says a recent historian, 'desired to be stable and contented rather than progressive and rich,' and the same writer adds that 'this view of things—the static as opposed to the evolutionary—differentiated our ancestors from us, in agriculture and industry as well as in politics and in religion'.² India is still in the static state, and, if we may believe Professor Mukerji, its village communities are the most contented in the world.³ This contentment, however, is largely based upon ignorance of anything better, and, as knowledge and education spread, may turn into something very different, unless it can be placed upon the sure foundation of civilized life. Already in the Punjab, and most of all in the colonies, there are signs that the process has begun,

¹ See V. G. Kale, *Indian Economics*, p. 25. Professor Kale combats the view, not however very convincingly, that the idea of progress is foreign to India, but admits that it is in 'a stage of arrested development' (p. 35).

² Trevelyan, *British History in the Nineteenth Century*, 1922, p. 35.

³ R. Mukerji, *The Foundations of Indian Economics*, 1906, p. 4.

and that men are no longer satisfied with the rude conditions of the past, and are beginning to consider how life can be improved. We are, in fact, upon the threshold of the evolutionary stage, and no moment could be more propitious for the introduction of the idea of progress.

But we shall do well to remember the deep spiritual forces underlying Indian mental conceptions, and, if possible, to infuse into the idea something that will lift it above the mere satisfaction of physical needs. For the West this is, perhaps, not so important as it is for the East, as in Western life spirit and matter are closely allied, and no advance can be made in the one without its affecting the other. However purely material any form of progress may be, as soon as it becomes part of general life it is vivified by the less material forces with which our age abounds; and it may almost be said that in the West there is no material good that is not wedded to something spiritual or artistic, and that there is nothing spiritual or artistic which does not express itself in some material good. In India things are different: religion is opposed to matter and cares nothing for progress, the existence of which it would probably deny. Nor are the influences of literature, music and art at present sufficiently strong to raise the idea above its purely material plane. There is real danger, therefore, that what has enriched and invigorated the West may have a contrary effect in the East, and that, unless it is illuminated by some reflection of 'the good, the beautiful and the true,' it may be rejected by the wise, and only accepted by the few who wish to get rich.

The problem is, therefore, exceptionally difficult. And not only are nature, religion and temperament all arrayed against the reformer, but also the whole agricultural and social system of the country. Consider the position of an ordinary Jat, who wishes to apply the new gospel of progress to his land. Of the 10 or 12 acres that he cultivates only 6 or 7 belong to him, and these are scattered in tiny strips about the village. To make both ends meet he is forced to borrow at 10 or 20 per cent., and, as likely as not, when the time comes

*Importance of
Organization
in India*

to repay, dearth or disease makes it impossible, and sooner or later the money-lender has him in fee. If he wishes to marry, he may have to purchase a wife and will certainly have to spend a year's income or more upon the wedding; and if he has children, he will have to do the same for each of his sons, and not much less for his daughters. If he realizes that, to make a ten-acre farm pay, it must be intensively cultivated, he is debarred by caste from turning it into a market garden; nor, unless he is a Muhammadan, can he take to stock-breeding, one of the great resources of the small holder in Europe. The result is, as Mr. Calvert points out, that 'nearly all our peasant proprietors follow methods of cultivation that can only pay with a holding of several hundred acres'.¹ And it is impossible to blame them. The opposing forces are too strong: no one could overcome them single-handed. Combination and organization are therefore a necessity; and if this is the experience of the West, the necessity is twice as great in the East.

Fortunately, two important organizations already exist. One, the Agricultural Department, is entirely official; the other, the Co-operative Department, which teaches men to combine, embraces official and non-official alike. The latter was started in 1904, the former in 1906, so that neither is yet twenty years old. The former has an agricultural college at Lyallpur, four experimental farms, the most important of which is also at Lyallpur, eight demonstration farms, a veterinary college at Lahore, a cattle farm at Hissar, and a staff for teaching and research in every branch of agricultural science. The sister department of co-operation extends throughout the province, and has already called into being 9,500 societies with about 250,000 members. Upon the working of these twin departments depends the whole agricultural future of the province, and together they provide a form of progress well suited to the country and by no means wholly material; for, though the Agricultural Department is inevitably absorbed in man's enrichment from the fruits of the earth,

*Agricultural
and Co-operative
Departments*

¹ Op. cit., p. 83.

co-operation, with its ideal of 'each for all and all for each', bids him most emphatically not live by bread alone. The Punjab will, therefore, be wise to develop to the fullest extent these two organizations, upon which ultimately its 'wealth and welfare' alike depend. If some are inclined to think from the following account that the achievements of the Agricultural Department are small, they should remember that it has been at work for only 17 years, and that from any Western standpoint its staff and equipment are wholly inadequate to the size of the province. This is sufficiently clear from the following figures, which show State expenditure upon agriculture in the Punjab and in three Western countries as well :—¹

	Per 1,000 of the population	Per 1,000 acres (cultivated) ²
	Rs.	Rs.
Germany (1910) . .	945	705
United States (1919-20)	1,020	210
United Kingdom (1921)	960	1,380
<i>Punjab</i> (1921-22) ³	79	56

No disparity in resources can entirely justify the contrast between the Punjab and the other three countries, especially when it is remembered that in 1921 England had a national debt of £8,000 millions. No progress is possible without pecuniary sacrifice, and if the Punjab desires more rapid development it must be prepared to pay for it.

Lyallpur, with its college and farm and its progressive community, has naturally been the main centre of effort. In its workshops and laboratories every kind of experiment is being made, and every possible line of advance explored ; but so far only with

Achievement:
Implements

¹ The Punjab figures have been kindly supplied by the Director of Agriculture, Punjab. They do not include expenditure on buildings, which is debitable to capital account. For the other figures, see Sir H. Rew, *Edinburgh Review*, April, 1922. Sir Henry Rew's figures are in sterling and have been converted at Rs. 15 to the pound.

² i.e., under crops and grass.

³ Total expenditure was Rs. 16,36,000.

seed and implements can any popular success be claimed ; and even with implements only the fringe of the problem has been touched. The plough that looks 'like a half-open penknife' and just scratches the soil ; the hand-sickle made more for a child than a man ; the old-fashioned winnowing tray that woos the wind to sift the grain from the chaff ; and the rude chopper with its waste of fodder, are undisplaced from their primitive but immemorial functions. Hoes, drills, harrows, reapers, fodder-cutters and winnowing machines *et hoc genus omne* are all there waiting to be sold, but those who buy are only a handful. The supremacy of the country plough is still unchallenged : out of 2½ million ploughs in the province, probably not more than 4,000 are of a modern type.¹ The ideal plough, that is at once cheap and effective, has yet to be invented. The Raja plough at Rs. 54 is too dear, and, despite all that the experts say, the ordinary cultivator is convinced that it requires stronger bullocks than he usually keeps. The Meston plough, the most popular of the improved types, is cheap enough at Rs. 18, but it is suited only to the lighter soils and its shares are constantly breaking.² With other implements, such as drills, harrows and reapers, the difficulty is largely one of expense, and it is always a question how far a man with a few acres is prudent in acquiring expensive implements and machines ; nor is the local blacksmith always equal to the repairs that in India are persistently required. In spite of this, the 'Meston', the harrow and the fodder-cutter are slowly winning their way ;³ but time is needed for their wide adoption, for no workman changes his tools with alacrity ; and when he has used them for centuries they become part and parcel of his being, as dear and as necessary to him as his own hand ; and for the most part he would as soon think of changing the one as of

¹ In the last 5 years only 3,315 of these ploughs have been sold (*Report of Department of Agriculture, Punjab*, for 1921-22, p. 40); comparatively few were sold before that. In Lyallpur district alone there are 97,000 ploughs.

² The country plough costs Rs. 10 to Rs. 18.

³ In the last three years 1,257 harrows and 432 fodder-cutters have been sold (*ibid.*, p. 40).

Ibid., Vol. I, p. 387.

amputating the other. Readers of *Anna Karenina* will perhaps remember how Levin, who was bent upon improving his estates, found the same difficulty with his Russian peasants. All 'agreed that the modern plough ploughed better, that the scarifier did the work more quickly, but they found thousands of reasons that made it out of the question for them to use either of them.' India and Russia have many problems in common.

With seed the problem is simpler, and it is here that the greatest success has been achieved. Hitherto the whole

cultivation of India has been based upon
Seed seed stored promiscuously by the farmer
 or supplied by the Bania whose only anxiety is always to get the highest possible price for the cheapest possible article. Pure seed, both of wheat and of cotton, can now be obtained throughout the colonies from approved agents of the Agricultural Department, with the result that in the last three years an average of 227 tons (6,173 mds.) of wheat seed and 440 tons (11,938 mds.) of cotton seed have been sold every year in the Lyallpur and Montgomery Colonies. Moreover, thousands of cultivators, who twenty years ago never gave a thought to the quality of their seed, now either grow selected seed themselves or purchase it from others. There is nothing sensational in this, but it is the change most likely to be widely adopted as its importance is easily grasped.

More brilliant in its immediate results, though possibly less certain of ultimate success, is the discovery of better

varieties of wheat and cotton than those
4 F Cotton ordinarily used. The latter have the great advantage of being entirely acclimatized, but the wheats suffer from the poorness of their yield—the Punjab produces only 14 bushels an acre against 31½ in England,¹ and the cotton from the shortness of its staple. Wheats have now been discovered that produce from one maund to three maunds an acre more than country wheat, and in 1921 one of these varieties, Punjab

¹ See Roberts and Faulkner, *A Textbook of Punjab Agriculture*, p. 5.

11, was sown on 750,000 acres of colony land.¹ The results with cotton are even more striking. A variety of American origin, technically called 4 F and popularly known as 'Amreekan', has been discovered by Mr. D. Milne with a staple that is only just short of 'American Middling Fair', the standard cotton of the world. The importance of this lies in the fact that it can be used in Lancashire, where there is very little demand for the ordinary cotton with its shorter staple.² A single plant in 1908, twelve years later it was sown on over 700,000 acres, or upon nearly half the total area under cotton in the colonies. This swiftly acquired popularity was mainly due to its higher price, and it is estimated that in 1918 alone it put an extra 120 lakhs (£800,000) of gross profit into the farmer's pocket. In this way it has no doubt helped to reduce the volume of debt in the colonies, as, too, it is said to have raised the price of land.

But there is a fly in the honey, and this particular fly has a way of getting into all honey of Western make or extraction. The question is—Can 4 F be permanently acclimatized? In 1919 farmers began to complain of a mysterious disease in their cotton. In September and October plants dropped many of their flowers, balls did not open properly, much of the lint was rubbish, and seeds developed less than they should. The result was a crop short by at least 70,000 bales of what was expected. Indian cotton, too, fared badly, but less so than American. The following year there was not much to choose between the two, but in 1921 the September rains failed, and 4 F, being a thirsty plant, suffered severely. In 1922, however, it did as well as ever: out-turn and fibre were alike excellent, and it fetched so good a price that it is said (by the Central Cotton Committee) to have produced Rs. 70 an acre more than its rival. Its reputation, therefore, is to a large extent retrieved, but the three years during which it was under a cloud leave a doubt as to its future, which it may take some time to settle. It is certainly less hardy and

¹ *Report of the Department of Agriculture, 1921-22*, p. 33.

² The staple of 4 F is seven-eighths, and of country cotton five-eighths of an inch (*ibid.*, p. 14).

less drought-resistant than Indian cotton, and latterly there is reason to suspect some deterioration of fibre.¹ On the other hand, given fair average land, good cultivation, and sufficient water during the critical months of September, October and early November, it is as superior in yield as it is in value. Meanwhile, another variety (285 F) has been discovered, which promises to oust both its rivals.²

If the history of 4 F has been given in detail, it is because it affords an admirable illustration of the difficulties that have to be overcome before any improvement can be acclimatized in a country like India, and they are difficulties that arise in every field of enterprise, industrial as well as agricultural, political as well as social. Just as the Englishman would find it difficult to settle in India without some deterioration of fibre, so also in the vegetable kingdom it may be that every improved variety of seed must eventually deteriorate for want of some essential property required by the climate, the soil and the general conditions of the country. One seed demands more water than is available, another matures too early, a third proves too attractive to the omnivorous insect, and what does well in the north may wither in the hotter south. Already, with wheat, 'Pusa 12' has been followed by 'Punjab 11', and the latter is now giving way to 'Punjab 8 A'. The Punjab climate, with its violent alternations of heat and cold, and rain and drought, is so exacting that it is not easy to develop seeds that are proof against it in every respect. But efforts should not be relaxed, as improved seed is the shortest cut to an increase in the yield per acre; and, as a recent writer remarks, in a densely-populated country with few or no mineral resources the yield per acre is all-important.³

There is one change which is of good augury for the future, and that is the growth of the commercial spirit.

¹ *Ibid.*, p. 18.

² Most of the facts stated above in regard to 4 F have been kindly supplied by Mr. D. Milne, Director of Agriculture, Punjab.

³ A. W. Ashby, in the *Edinburgh Review*, January, 1922

*Growth of the
Commercial
Spirit*

Till the end of the eighteenth century, all over Europe the peasant proprietor cultivated primarily for subsistence; that is to say, so far as nature allowed, his aim was to live on the products of his farm. Now, throughout western and central Europe, he has found it more profitable to grow for the market and to vary his crops with changes in price and demand. India as a whole is still in the subsistence stage, and its point of view is well expressed by a villager, who said to the writer, 'Our task is not the making of money, but the filling of our bellies'. In Lyallpur, however (it is less true of the other colonies), there are signs that the old order is changing. The cultivator still buys nothing that he can produce, but in sowing his spare acres he has begun to look to the market. Thus, owing to the boom in cotton produced by the War, the area under it in the colonies trebled in five years, and in a single year, when prices dropped, it fell by 600,000 acres.¹ The cultivator is equally quick to turn from one variety of seed to another. After the partial failure of 4 F in 1921 many went back to country cotton, and now, after its success last year, 4 F is as popular as ever. There is danger in this, for the inexperienced cultivator is apt to rush from one extreme to another, and in the process he sometimes falls out of the frying-pan into the fire. This is what happened last year with the holding up of his wheat. Continually urged to hold it up in order to secure the benefit of the autumn rise in the market, it was not till he saw the enormous profit reaped by the Bania in 1921, when wheat doubled in price, that he was fully persuaded. Accordingly, the following year he held up 25 per cent. of his crop, but only to see wheat fall by 30 per cent. There are other disadvantages as well in the holding up of a crop in a country like India. An abundance of grain in the house is an incitement to waste, and, if a

				Area under cotton in acres
¹ 1915-16	..	..	..	473,193
1920-21	..	..	..	1,536,139
1921-22	..	..	..	906,950

town is near, the womenfolk are tempted to unnecessary shopping, and even ornaments are sometimes bought in exchange. All of which shows the need for caution in pressing a new policy upon the illiterate and not too provident cultivator. From one change, however, nothing but good can ensue, and that is the tendency of the colonist to dispense with the local Bania and take his grain to market himself. The Agricultural Department has had much to do with this, as for years it has held a series of auctions to eliminate the middleman and secure to the cultivator a fair price for his cotton. The Co-operative Department has gone a step further, and has organized societies of cultivators to sell their produce to the wholesale dealer direct. In response, too, to the demand created by a large exportable surplus a number of market towns have sprung up, where world prices are daily received by wire and where wheat and cotton are sold to the exporter direct. Upon their hot, dusty market-places the intensely localized agriculture of the past is brought into sudden contact with the world-wide commerce of the present. The effect of this upon the cultivator is bound to be great, the more so that it is an influence that works upon him almost unconsciously. Already he has begun to grasp the importance of improving implement, seed and crop, and to consider all three in terms of profit instead of subsistence. In short, conditions in the colonies are unusually favourable, and where this is the case, as Dr. Mann points out, the small holder 'makes the most progressive cultivator in the world'.¹

But where conditions are not favourable, the small holder, as Dr. Mann adds, is 'about as hard to move from his traditional methods as any body of men of which we can conceive'. Unfortunately, as we have seen, conditions outside the colonies are as unfavourable as possible. The only satisfactory feature is the comparative security brought by irrigation to a large part of the province. Yet, though irrigation is widely developed, much insecurity remains.

*Progress
Outside the
Colonies*

¹ Op. cit., 1917, p. 54.

Down all the rivers and throughout the west and south-east it is the dominant factor, and nowhere in these areas will any real progress be found. Elsewhere the fragmentation of holdings blocks the way; and it cannot be too often repeated that, till holdings are consolidated, no great advance can be made. Till then all that can be done is to induce the cultivator to use better seed, perhaps buy a Meston plough, and, if possible, join a village bank. The last is much the most important of the three, for every good co-operative society is an oasis in the desert of inertia. It will rescue a man from the toils of the money-lender; it will teach him to be sparing in borrowing and punctual in payment, and generally to make the best use of his slender resources; it may even consolidate his holding, and in fact is the only means so far discovered in India for the purpose. Above all, a member of a co-operative society learns to combine with his fellows, and has no longer to face 'the slings and arrows of outrageous fortune' single-handed. Apart from the colonies it might almost be said, 'No co-operative society, no progress'.

If, however, at first sight, outside the colonies, the signs of progress are not easy to detect, a start has certainly been made. In the central Punjab the advantage of good seed is widely understood, and here and there improved implements are in use. A number of wells (282 last year) have had their diminishing supply of water replenished by a tube, and everywhere can be seen Persian wheels and sugar presses, made of iron instead of wood; and upon the former the pleasant old-fashioned vessels of clay are frequently replaced by the ugly, but lighter and more durable, buckets of tin. Round the larger towns agriculture is becoming more intensive, as everyone knows who has seen the orchards of Amritsar and the vegetable gardens of Jullundur. In the province generally there is a perceptible improvement in methods of culture: the land is better ploughed and manured, though the latter still leaves much to be desired. In districts as far apart as Jullundur and Multan wells are rapidly increasing; in unirrigated tracts moisture is more carefully conserved, and in several districts people have begun to sow

cotton and maize in lines. Finally, thanks to the cattle farm at Hissar, a finer breed of bullock and cow can sometimes be seen in the village. These, of course, are only tendencies, but there are few districts now where some trace of progress cannot be discerned.

There is, therefore, no reason to despair, and, if we were to compare the Punjab with eastern or southern Europe, it may be doubted whether the comparison would be to the disadvantage of the former.¹ It is important, too, to remember that till twenty years ago there was little thought of agricultural progress in India, and that countries like Germany and France have taken 100 years to reach their present level of development. In both countries there were 50 years of preparatory work before the peasant proprietor began to develop. In Germany the process was not so slow as in France, as the Prussian landlord east of the Elbe, like the landlord in England, was as quick to apply as he was to learn, and gave the peasant proprietor the lead he needed. This lead the peasant proprietor of France had in the main to obtain from Government and necessity. Up to 1860, in spite of some technical improvements, agriculture as a whole was 'still intensely traditional, and marked by the predominance of manual work and by a resigned submission to the caprice of nature'.² The only form of agricultural machinery in general use was the old-fashioned type of threshing machine, which was usually worked by horse or mule. The cultivator was slow to take to better implements, for, as in the Punjab, his holding was too small for their use to be profitable. Holdings, too, were fragmented, and there was little systematic effort to consolidate them. To-day they are as small as ever, but the spread of the railway and the telegraph has made it possible to cultivate them more intensively, for the market-gardener, the poultry-farmer and the fruit-grower have now

*Example of
Germany and
France*

¹ See Calvert, pp. 198-99.

² See J. H. Clapham, *The Economic Development of France and Germany, 1815-1914* (1921), p. 158. The substance of what is said above about Germany and France is taken from this book.

a much wider range of markets than they had before. In this way, both in Germany and in France, railways have had the greatest possible influence upon agricultural progress, so much so that a recent writer says that 'broadly speaking, no general and thorough-going improvement can be registered in peasant agriculture before the railway age'.¹ Applying this to the Punjab, we need not be surprised that the idea of progress is of comparatively recent date. A generation ago there were railways but no railway system, colonists but no colonies, schools but no education. The cultivator was everywhere isolated, ignorant and helpless. The village money-lender was at his zenith, and land was rapidly passing into his hands. In all these respects there has been change, and in the colonies the change is little short of astonishing. The moment is, therefore, unusually propitious to advance.

There is one peculiar feature of rural life in the Punjab, the Land Alienation Act, upon which something must be said, as it may interfere with agricultural progress in the future. Ever since 1901, when it came into force, the non-agricultural classes have been greatly restricted in the acquisition of land; they are no longer allowed to buy it from a member of an agriculturist tribe, nor may they take it in mortgage from the latter for more than twenty years. The main object of the Act was to prevent the small peasant proprietor being expropriated by the village money-lender, in whose hands he was then as wax; and on the whole it has succeeded so well that he regards it as the charter of his rights. The townsman, on the other hand, views it as a serious disability and is inclined to convert it into a political grievance. The question is, therefore, a thorny one, but, though it is beyond the scope of this book to examine it in detail, it is too important to be entirely ignored.

Viewed in its relation to agricultural progress, the Act may be challenged upon two grounds. In the first place all protection, if continued indefinitely, weakens what it protects. The child whose hand is always held will never learn to walk;

¹ *Ibid.*, p. 52.

and the cultivator who is always protected will never learn to be independent. A generation ago, in all affairs of business, the peasant was as helpless as a child and no doubt required protection, but now, thanks to co-operation and its 9,000 village banks, and to the awakening effect of the War and the general spirit of the times, he is fast learning to walk, and in the canal colonies at least he is well able to look after himself.

Secondly, it may be argued that the assistance of the town is indispensable to the development of the country, and that the Act keeps the two apart. In England it was not till the lawyers and merchants began to invest money in land that the landlords paid much attention to farming, and in other countries, notably in Germany, rural movements owe much to men who were not agriculturists. Even without the Act this co-operation between town and country would be difficult in the Punjab, since for various reasons the cleavage between the two is unusually great. In widening the gulf the Act only adds to the difficulty, and it may well be doubted whether the educated townsman will ever take a practical interest in rural questions so long as he is virtually excluded from rural society. To this it may be replied that agriculture will be best promoted by keeping as much land as possible in the hands of the agriculturist, who has a natural instinct for farming, and that there is little to be gained by facilitating its transfer to the townsman, who is incapable of cultivating it himself and who 'does not invest any capital in improving it . . . but contents himself with obtaining the best rent he can'.¹

In a country where occupation and aptitude are largely determined by heredity and caste, this is a point of view that must command respect, but it is not one that *The Townsman as Landlord* is entirely endorsed by experience. In at least one part of the province, the south-west, agriculture owes much to the townsman. As long ago as 1859 the comparative prosperity of Multan was attributed mainly to the efforts of wealthy landowning *kirars*, who by their labour and capital had greatly improved the productive

¹ Calvert, p. 140.

power of the soil;¹ and even now the *kirar*, with whom we are familiar from a previous chapter, is better than the ordinary landlord,² not only in Multan³ but also in the adjoining districts of Muzaffargarh and Dera Ghazi Khan.⁴ In Muzaffargarh he is said to be the only progressive influence in an otherwise stagnant neighbourhood. If, for instance, a well has a covering of thatch to protect the ever-circling bullocks from the sun, if mango trees line the watercourses, or if capital has been sunk in the land, it is almost certain to be due to the the despised *kirar*. Though he seldom works with his own hands, he supervises his labourers minutely, and rarely gives his land out to be wasted by tenants. Half the sugar-cane of the district is in his hands, and he is responsible for the only tube-well that has been sunk. Further north, in Mianwali, it was an Arora who introduced gram into the Thal, to the great advantage of the tract.⁴ In more than one district the most progressive landlord will be found to be a non-agriculturist, and in the canal colonies, though he may be as much an absentee as the zemindar, he looks after his land as he would after any other kind of investment, and occasionally attempts to develop it, which a member of the landed gentry rarely tries to do.

It may, therefore, be doubted whether the townsman will be more of a burden on the land than the wealthy zemindar, for whom, as a rule, there is little enough to be said. It is even possible that, with his superior education and commercial flair, he may introduce the very element that a backward rural society requires; and in any case he should provide a useful stimulus to the ordinary landlords, who will be all the better for a little competition. It should be remembered, too, that the urban landowner of the future will not be quite the same as the non-agriculturist of the past, who was generally nothing but a money-lender and trader combined, for in the last thirty years a new *intelligentsia* has sprung up in the towns, who, if they could be persuaded to study rural problems, might do

*Amendment of
the Act*

¹ See *Ibid.*, p. 9

² See *Mullan S.R.*, 1921, p. 7.

³ *Jampur A.R.*, 1919, p. 12. ⁴ For a description of the Aroras see p. 214.

something for their solution. In the writer's opinion, therefore, the time has come to consider whether the Act should not be amended. Repeal is not practical politics, nor probably is it yet desirable. But the moment has perhaps arrived to exclude the canal colonies from its operation. The canal colonist of to-day is a very different man from the helpless peasant of the past, and it is difficult to believe that he still requires protection.¹

The whole question of agricultural progress will perhaps appear in clearer perspective if we compare the Punjab with

<i>Punjab compared with Japan</i>	some other country faced with similar problems. For this purpose the obvious country is Japan, and, thanks to a remarkable book recently published, ² comparison is possible.
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The book deals almost entirely with rural Japan, through which the author toured again and again, and, as we journey with him from village to village, we are constantly reminded of the Punjab and its problems. The very word 'problem' was as new to the Jap thirty years ago as it is to the Punjabi to-day, and a word had to be coined to express it in the language. It is true, of course, that the two countries are in some respects profoundly different; that Japan, for instance, is girdled by the sea and is nearly all valley and hill, and that the Punjab is circled by desert and mountain and is nearly all river and plain. But agriculturally they have one fundamental fact in common—the predominance of the small holder. The ordinary Punjabi cultivates eight or ten acres, the Jap less than three (p. 89). For the latter civilized existence would be impossible but for the rearing of silk-worms, which is the great subsidiary domestic industry of the country. In the

¹ In this connection the following extract from the report of a committee, appointed by the Bombay Government in 1920 to consider the repeal of the Deccan Agriculturists' Relief Act is interesting :—

'It must be acknowledged that since 1912 the economic condition of agriculturists as a class has much improved, and it promises to improve still more as the country advances in industrial development. We think, therefore, that the time has come for bringing agriculturists under the provisions of the law which apply to other classes.'

² Robertson Scott, *The Foundations of Japan*, 1922.

Punjab, and in India generally, the small holder too often tries to live entirely by the produce of his land, without, moreover, adopting any of the ordinary forms of intensive farming. In Japan this is known to be impossible, and, though half the land is under rice and heavily manured, two million peasant families, or more than one-third of the whole, find it necessary to rear silk-worms as well, and the number is daily increasing.¹ The result is that the people, though poor and with far less natural resource, are able to maintain a higher standard of living than is possible in the Punjab. Japan, indeed, with only a slightly larger area, maintains a population $2\frac{1}{2}$ times as large;² and, what is more, 47 per cent. of the Punjab is cultivated³ against only 15 $\frac{3}{4}$ per cent. of Japan (p. 89). These are figures which should give the Punjab furiously to think.

The problem of population underlies all agricultural problems in Japan. In less than 40 years (1882-1918) it has increased by 55 per cent. (p. 389), and the *Japanese Organization* struggle for existence is now so severe that the cultivator is compelled to make the land yield him its utmost. That he has succeeded may be judged by the fact that in little more than 30 years (1882-1913) the production of rice has increased by 63 per cent. (p.85). Nor, in the main, is this due to the extension of cultivation, which amounts to only 17 per cent.,⁴ but rather to the unflagging industry of the people and to the admirable organization of Government and people combined. We have seen above that in an Eastern country agricultural progress will never be achieved without organization, as the forces arrayed against it are too great to be combated by individual effort alone. This is realized in Japan, and her task has been greatly simplified by the ardent patriotism of the people, which

¹ In four years the number has risen by 500,000. *Ibid.*, p. 89.

	AREA	POPULATION
² Japan ..	142,000	} sq. miles. 55,961,140 (1920). 20,685,024 (1921).
Punjab ..	136,925	

³ *Punjab Census Report*, 1921, p. 10.

⁴ In roughly the same period (1882-1912) cultivation in the Punjab increased by 23 per cent., Calvert, p. 54.

manifests itself almost as much in the humdrum life of the village as in the more conspicuous fields of politics and war. The innumerable local organizations, which have sprung up throughout the country, are an example of this. There is hardly a village without its agricultural association (p. 22), that is to say, there is hardly a village without the leaven of progress. In one 322 manure houses have been built; in another plum trees have been planted 'to meet communal taxation' (p. 306); and in a third, with only 2,000 inhabitants—such is the passion for organization—there are two co-operative societies, an association for young men, another for young women, a society for 'promoting knowledge and virtue', two thrift organizations; and finally—a smile may be forgiven—an association of those who 'aim at becoming distinguished' (p. 124). To us in the Punjab the chief interest of these associations is that they are tackling precisely the same problems that we are faced with here. For instance, fragmentation once hampered development in Japan almost as much as it still does us. But large areas have now been consolidated, and in some cases so thoroughly that cottages have been moved to new sites and even bones to new cemeteries. So, too, with manure. Japan is well aware that to maintain a large population upon a small area in decency and comfort, abundant manure is essential. Almost nothing, certainly not night soil, is wasted; issuing from every town may daily be seen strings of manure carts on their way to the surrounding villages, where what cannot be used at once is carefully stored in concrete cistern or sunken butt (p. 49). In this way over £20,000,000 goes into the soil every year (p. 286). Compare this with the Punjab, where there is no attempt at all at storage, and where most of the manure that should go into the soil is used for fuel.

Japan has every reason to be proud of her achievement, but, in the village at least, there is nothing in what she has done that is beyond the power of the Punjab. The Punjab has the double advantage of having a much larger cultivated area to support a far smaller population. In Japan only 3 per cent. have as much to cultivate as the ordinary Punjabi who has 8

acres, and 70 per cent. have $2\frac{1}{2}$ acres or less.¹ The consequence is that both agriculture and population would appear to be approaching the limit of development. As a Jap remarked, 'In Old Japan the agricultural system has become dwarfed; the individual cannot raise the standard of living, nor can crops be substantially increased; the whole economy is too small; the people are too close to the ground' (p. 362). This, too, as we have seen, is the case in part of the Punjab; but, whereas the latter could at once improve its position by changing its system and its prejudices, in Japan so much has already been done that it is difficult to know what to do next. In this respect, therefore, the Punjab is in the happier position of the two. Some may think that Japan is blest in its climate, but it is not markedly superior to that of the Punjab. Both countries are braced by extremes of heat and cold, and, if the heat of the Punjab is more severe, its climate is certainly dryer;² and, if we may judge by the stature of the people, this is a more invigorating condition of life. The Punjabi, too, thanks to his canals and his climate, is able to live mainly upon wheat, while the Jap 'eats rice for breakfast, rice for lunch, and rice for dinner', which is not usually a stimulating diet. One important advantage Japan certainly has. Her ample water supply, derived from mountain and hill, saves her from the insecurity of a large part of the Punjab. According to an old Japanese proverb, the four things to be dreaded are 'earthquake, fire, parents, and lightning'.³ How much more formidable to agriculture are the two great scourges of the Punjab, drought and disease. On the other hand, probably nowhere in Japan could so prosperous a rural community be found as the Lyallpur Colony.⁴

¹ W. M. McGovern, *Modern Japan*, 1920, p. 234.

² The climate of Japan is described as 'bitterly cold in winter, stifling hot in summer, and moist and humid at all times' (McGovern, op. cit., p. 29).

³ J. H. Longford, *Japan and the Japanese*, 1912.

⁴ Japan, too, has her colonization area in Hokkaido, the most northerly of her four principal islands, but colonization is hampered by the climate, which is bitterly cold and makes the growth of rice, the one crop thoroughly understood by the Jap, a matter of considerable difficulty.

Another advantage that most people in this country will attribute to Japan is her industrial system. This is too big a question to be discussed here, but it may be remarked, by way of warning to industrial enthusiasts, that there are many indications in Mr. Scott's book of its evil effects upon the life of the people. No doubt it has made the population of 56 millions a possibility, but a big price has had to be paid. We read again and again of overworked and half-demoralized girls working, for instance, from 5.30 in the morning till 6.40 in the evening, with only 20 minutes off for each meal (p. 163); or worse, of 1,000 girls in another factory starting before dawn at 4.30 and going on till 7 at night, with only two short stoppages for food, hours which would be impossible but for a two months' holiday taken during the slack season of the year (p. 161). Apparently a factory law forbids a woman working more than 12 hours a day, but special permission can be obtained for another two hours, and, while permission is frequently granted, prosecutions for breach of the rule are rare (p. 171).¹ As over half the factory workers are women and mostly girls,² it can be understood that the effects of factory life are not very wholesome. The peasants know this well enough, but they are too poor to forgo the addition it brings to their income (p. 163). Our author gives his final impression of one of the most important industries in the country in the following weighty passage: 'The silk industry, as I saw it, was exploiting, consciously or unconsciously, not only the poverty of its girl employees but their strength, morality, deftness and remarkable school training, and earnestness and obedience' (p. 169). The Punjab need not, therefore, regret that at present its only industry of any importance is agriculture.

A more serious disability is the amount of her debt. In *Agricultural Debt compared* this respect Japan has undoubtedly the advantage, as the following figures show:—

¹ The old Factory Act has been amended this year (1923). Even so, there are still 47,599 women working over 12 hours and 451,853 working from 10 to 12 hours. *Bombay Labour Gazette*, July, 1923.

² Out of 1,471,847 factory hands, 834,895 are females (*ibid.*).

	Farmers' debt	Families supported by or engaged in agriculture
Punjab	£60,000,000 ¹	2,636,598 ²
Japan	£90,000,000 ³	5,561,053 ⁴

Though the agricultural population of Japan is roughly double that of the Punjab, her debt is only 50 per cent. greater. In Japan debt is evidently lighter in incidence, and it would also appear to be less wide-spread. In one prefecture the average debt is put at Rs. 120 (80 yen) against an average income of Rs. 525 (p. 284); and in another 65 per cent. of the people are said to be in debt, but only 'in bad times' (p. 195). These figures are much below anything to be found in the Punjab outside the canal colonies. And in this connection a remark about a prosperous village, that 'a man in an average position will lay out 200 yen (Rs. 300) on his daughter's wedding', is significant, for where is the prosperous village in the Punjab of which it could be said that so little was spent?

To sum up, if Japan has one advantage, the Punjab has another, and there is nothing to prevent the latter emulating the achievements of the former. Thirty years ago Japan was probably not as advanced as the Punjab is to-day. The people were illiterate, methods primitive, and even a custom like infanticide was common. Now, however, education is compulsory (though not free), methods have been improved, domestic industries developed, and a new spirit awakened. Something of the same must be done in the Punjab. If domestic industries cannot be developed, at least debt can be reduced, holdings consolidated, and some of the obstacles imposed by custom or prejudice removed. Organization, too, can be widened and strengthened, and the

¹ See p. 16.

² The number of persons supported by agriculture is 11,864,688 (*Punjab Census Report*, 1921, p. 375). Assuming 4·5 persons per family, we get the figure given above.

³ Nine million yen (10 yen = £1), Robertson Scott, op. cit., p. 364.

⁴ Kiyogi Ogata, *The Co-operative Movement in Japan*, 1923, p. 86.

cultivator taught to work, not only harder but better, and to depend more upon himself and less upon Government. What is more difficult, but even more vital, is to replace the communal rivalries of to-day by a healthy national patriotism. Unless this is done everything else will be in vain.

CHAPTER X

THE MONEY-LENDER AND HIS SYSTEM

IN the last two chapters we have travelled a little beyond the main field of our enquiry, which is the study of rural indebtedness. For this no apology is needed, as the rise in the standard of living and the possibilities of agricultural progress are intimately connected with the question of debt, to which we must now return.

*Recapitulation
of the Causes
of Debt*

So far, in examining the causes of debt, we have confined ourselves almost entirely to those that *compel* a man to borrow, and have said little about those that *enable* him to do so. The loans that arise from drought and disease, uneconomic holdings and the extravagant obligations of marriage, all spring from necessity; but necessity is not of itself sufficient to account for debt, still less for its volume. Before a loan can be had, there must be some one to lend, and before a prudent man will lend, he must be satisfied that his loan will be repaid. In other words, debt postulates not only a debtor but also a creditor, and, not only a need but also security; and in a country like India, where need is great and improvidence general, it may be said that the better the security, the greater the debt. The explanation of this tendency, which will be discussed at length in the next chapter, is to be found in the vicious system of money-lending in force in the country, which, while encouraging the cultivator in his improvidence, exploits his resources. Of this system something has already been said in connection with the western Punjab, where we saw the money-lender manipulating the necessities of the cultivator to his own advantage and dominating the whole production and distribution of wealth. Till recently, with only a difference of degree, this was true of the whole Punjab, and it is hardly an exaggeration to say that no single factor has more

banefully affected the development of the province or is more likely to retard it in future. It is important, therefore, that the money-lender and his methods should be studied, and this is the object of the present chapter.

Money-lending, using the word 'money' in its widest sense, is one of the oldest trades in the world, and even to this day all commerce is based upon it. *Money-lending in the Past* Yet the curious thing is that everywhere and at all times the money-lender has had a bad name, and some of the most famous figures in history have categorically condemned the one thing that made it possible, the taking of interest in return. Moses, the lawgiver of the greatest race of money-lenders in the world, allowed it only from one who was not a Jew. 'Unto a stranger thou mayst lend upon usury, but unto thy brother thou shalt not lend upon usury, that the Lord thy God may bless thee.' Plato and Aristotle condemned it without even this distinction: 'Of all modes of making money', said the latter, 'this is the most unnatural'.¹ And the great Roman Stoic, Cato, so Cicero relates, upon being asked what he thought of usury, replied by asking his questioner what he thought of murder. The Christian Church, following the ancients, made practically no distinction between equitable interest and usury, and Muhammed in forbidding both was only following the civilized opinion of the day. All through the Middle Ages, and for a century or two later, this view prevailed.² Shylock's burst of temper—'I hate him, for he is a Christian: he lends out money gratis'—indicates the English attitude under Elizabeth;³ and a century later we find the Jesuits devising casuistical means by which usury, as the taking of interest was always called, could be justified. 'Ce serait usure', says one of them, 'de prendre du profit de ceux à

¹ *Politics*, i, 10 (translation by Jowett).

² A mediæval law in England made contracts for loans on usury void (Thorold Rogers, *A History of Agriculture and Prices in England*, iv, 61).

³ Cf. 'The Usurer lives by the lechery of money and is Bawd to his owne bags, taking a fee that they may engender' (*The Seven Deadly Sins of London*, by Thomas Dekker).

qui on prête, si on l'exigeait comme dû par justice ; mais, si on l'exige comme dû par reconnaissance, ce n'est point usure'.¹

It was not till modern commerce began to spread its golden meshes over the world that a change came over popular opinion, and the change was greatly facilitated by the substitution of the comparatively impersonal organization of the banker for the entirely personal system of the money-lender. Those who only know the former may be inclined to regard the lawgivers of old as narrow-minded and prejudiced, but no one who is familiar with the money-lender and his ways, which probably differ little in any country in the world, will have any difficulty in understanding their attitude.

Under modern conditions men borrow mainly for gain, but in the old days they borrowed almost entirely from necessity ; and the primary necessity was that of keeping body and soul together. Surrounded by all the resources of civilization, it is difficult for most of us to realize the extent to which, till recently, village life in India was dominated by the fear of famine. We caught a glimpse of this in the southern Punjab, but only after road, rail and canal had greatly mitigated the danger. Before their advent every one knew that sooner or later famine would return and sweep away thousands ; and when this occurred the cultivator's only resource was the money-lender. Again and again he must have been saved by a timely loan of grain, and it can hardly be doubted that in all agricultural countries it was with the hunger engendered by famine that money-lending began. We get a hint of this in the poetry of Hesiod (700 B.C.), in whose mind, says Grote, the classic historian of Greece, debt and famine run together ; and 250 years later, in the days of the Jewish prophet, Nehemiah, we find the same connection in the complaint of the Jews who had returned from captivity : ' We

¹ ' It would be usury to reap any profit from those to whom one lends, were it exacted as a right ; but if exacted as due from a sense of obligation, it is not usury ' (Pascal, *Les Provinciales*, *Huitième Lettre*).

have mortgaged our lands, vineyards and houses, that we might buy corn, because of the dearth."¹

No necessity is greater than the necessity of hunger, and it does not require much imagination to understand how quick the ordinary money-lender would be to exploit it. It is not because he is initially worse than other men, but that in business, even to this day, few can resist an opportunity of gain. The money-lender, moreover, had the advantage of dealing with a man as simple and as ignorant as a child. Lord Acton once remarked that the number of men in the world's history who had enjoyed great power without abusing it could be counted on the fingers of one hand, a dictum that the money-lender in no way disproves. Many, however, have abused power without being banned by religion. The reason for banning the money-lender is that money-lending, if uncontrolled, sooner or later involves the bondage of the borrower, and in a primitive community the borrower is the cultivator of the soil, upon whose welfare depends the existence of the State, whether for defence without or subsistence within. Money-lending, therefore, was fraught with grave danger to the State, and no statesman could afford entirely to ignore its development. Even when not formally condemned by religion, it was usually controlled by law, custom or authority. In the case of the Jews mentioned above, the money-lenders were induced by Nehemiah to forgo their hold upon the mortgaged lands. Solon, on the other hand, who found the peasant proprietor of Attica reduced almost to the position of a serf, by a stroke of the pen cancelled all debts made upon the security of the land or the person of the debtor, and in addition debased the currency in favour of the latter.² The Romans, who had all the evils of usury to contend with, with more legal mind attempted to solve the problem by fixing the maximum rate of interest, but this is a remedy that has rarely succeeded, and Cicero, who tried to

¹ *Nehemiah*, v, 3.

² Grote, *A History of Greece*, Vol. 3, p. 315 (Everyman's Library).

enforce a maximum of 12 per cent., failed in his effort.¹ Finally, we have the drastic methods adopted by King John, who had the teeth of his more extortionate money-lenders extracted.

Pre-Muhammadan India adopted a much more tolerant attitude towards the money-lender than did the West. 'Hindu law', remarks Sir Raymond West, 'nowhere manifests that repugnance to the taking of interest which we, or at least our grandfathers, inherited from Rome and the Old Testament.' Even before the days of Solon, in almost Homeric times, we find mention of the usurer; and by the Buddhist period wives and children were already being sold for debt. The Roman method of regulating interest was tried, and a legal maximum of 15 per cent. was fixed, but the law books of the time contain more than one allusion to the tendency of the money-lender to exceed it. In actual practice the rate varied from 15 to 60 per cent. according to caste, and no doubt according to security. These minimum and maximum rates were subsequently confirmed by Manu, and it may also be said by time, for, as we shall see shortly, they are not very different from those prevailing to-day.² In an agricultural country like India, which is subject in a singular degree to pestilence and famine, the money-lender could always command a certain tolerance, and the guess may be hazarded that, had Islam arisen in the fertile plains of Hindustan instead of in the deserts of Arabia, its attitude towards the taking of interest might have been different. Financing the village, marketing its produce and supplying its necessities, the money-lender in India frequently stood between the cultivator and death; and, as Sir William Hunter remarks, he represents the one thrifty person among an improvident population, 'without whose help the cultivator would have had nothing to depend upon but the harvest of a single year'. Whenever, therefore, we are tempted to revile him, we should remember that by his assistance to

¹ T. Rice Holmes, *The Roman Republic*, 1923, Vol. 1, p. 131.

² For money-lending in ancient India see the *Cambridge History* of that period.

agriculture for 2,500 years he has made life possible for millions who must otherwise have perished or never been born.

The basic fact that, when agricultural conditions are fundamentally insecure, the money-lender is essential, should make us pause before we accept the common assertion that he did not exist in any number before British rule. Actually such evidence as is available suggests that debt was as common then as it is now, though no doubt much less in amount. A more authoritative opinion could hardly be quoted than that of the Famine Commission of 1879, who state in their report that they have 'found no reason to believe that the agricultural population of India has at any known period of their history been generally free from debt'.¹ A year later Sir Alfred Lyall, speaking with an intimate knowledge of Rajputana, where the immemorial conditions of Indian life still prevailed, described the money-lender as 'a very powerful and indispensable personage' in Indian States.² In the Punjab there is ample evidence to show that, when the province was annexed (1849), though security and credit were then at their lowest ebb, the money-lender was established all over the country, though probably only in the towns and larger villages. The official reports of the time prove this beyond a doubt; and there is an old proverb which says, 'Without the Guru, no salvation; without the money-lender, no reputation.'³ In the central Punjab, as a result of the Sikhs collecting the revenue before the crop was cut, we read that 'the zemindar was forced to borrow money from the Bania, who accommodated him at 25 per cent. per annum interest'.⁴ In a tehsil of the Amritsar district most villages are said to have 'two or three shops of village grocers and money-lenders,' who are spoken of as 'great extortionists'.⁵ In the neighbouring tehsil of Narowal, the cultivators are described as being 'in more than

¹ Pt. II, p. 130.

² *Note on Land Transfer and Agricultural Indebtedness*, p. 10.

³ *Guru bin gat nahin, shah bin pat nahin* (Lahore S.R., 1873, p. 60).

⁴ *Gurdaspur S.R.*, 1859, p. 21 (the settlement was concluded in 1854).

⁵ *Amritsar S.R.*, 1854, p. 67.

an ordinary state of indebtedness', and in commenting upon this the Commissioner remarks that the tract 'will never have a clear balance-sheet'.¹ In this he was right, for it now forms part of Sialkot, which, as we have seen, is one of the most indebted districts in the Punjab. In this same district, in 1853, it was estimated that 50 lakhs, probably equal to two crores to-day, were invested in loans and dealings in grain.² At about the same time the cultivators of Gujranwala were found to be 'entirely in the hands of their "*shahs*" (money-lenders), who reap all the profits'.³ Further north, in Gujrat, a settlement officer reported in 1870 that the people still said that 'under Sikh rule they only existed through the money-lending class, and that each cultivator, whether proprietor or tenant, always found himself in debt to his Khatri for at least a six months' supply of household necessaries'.⁴ Finally, for the western Punjab, there is a report of 1848, which states that there are few proprietors in Shahpur who have not an account with the Khatri of the district;⁵ and Mr. Thorburn's statement that the money-lender was found in the Kurram valley when it was annexed.⁶ And in this connection it is significant that in Afghanistan to-day he is a necessity.

But if debt was as common then as it is to-day, the money-lender was not so powerful as he subsequently became under British rule. He laboured under two restraints, which the latter removed, or anyhow weakened. The first was the existence of a vigorous village community, which throughout the province was generally strong enough to hold him in partial check. Even to this day, in parts of Dera Ghazi Khan, where the Baloch tribes maintain their cohesion, the money-lender has to be wary in what he does. On the other hand, he is treated fairly, as the tribe cannot get on without him. As long as the individual cultivator is backed

*Restraints
upon the
Money-lender*

¹ *Ibid.*, p. 146.

² *Sialkot S.R.*, 1865.

³ *Gujranwala S.R.*, 1856.

⁴ *Gujrat S.R.*, 1870, p. 105.

⁵ Diary of Mr. L. Bowring dated 9th Feby., 1848 (*Punjab Government Records*, vi, 416).

⁶ *Op. cit.*, p. 66.

by village or tribe, he deals with the money-lender on a footing of comparative equality, and unconscionable bargains are usually avoided. The second check, was the apathy of the State towards recovery. There were no formal courts of justice as there are to-day, and, if a man owed a *kirar* money and matters could not be arranged, the case went before the *kardar*, the local executive authority. 'The *kardar*', we read, 'had the *kirar*'s books examined, and on being told how much principal and how much interest was due, he would say, "Strike off so much interest". Then he would enquire how many cattle the debtor had, and he would be told so many. "And what are they worth?" "Rs. 10 each head." "Good! The *kirar* must take the cattle at Rs. 12 each in payment of his debt"—and everybody went off satisfied.'¹ Methods of this kind would, no doubt, be the rule where the *kardar* was friendly to the cultivator; but, if he was corrupt, harsher means might be adopted, and an ex-inspector of police from Gujranwala, who remembers the days of the Sikhs, told the writer that the usual method of bringing an obstinate debtor to book was to obtain his arrest by a timely gift to authority. This agrees with practice in Indian States 40 years later, which Sir Alfred Lyall describes as follows: 'When a tenant in a Native State gets into difficulty, the money-lender is not put to the trouble of a resort to the civil court, where he may be required to prove his claim. The usual practice is for the revenue collector and the *kardar* to take his case jointly in hand, and to settle in consultation how much each is to take of the crop, and how little can be safely left for the subsistence of the debtor.'² But whether the *kardar* was friendly or hostile, the money-lender would probably think it best to rely more upon personal influence than official action for the recovery of his debts, and would hesitate to antagonize a debtor into persistent default.³

¹ *Montgomery S.R.*, 1874, p. 129.

² *Note on Land Transfer*, etc., p. 10.

³ The Deccan Riots Commission (1875) stated in their report that when British rule began 'the creditor received no assistance from the State in recovering debts, but had great license in private methods of compulsion'.

For some time after the establishment of British rule these satisfactory conditions continued. The village communities retained their cohesion, and, though *Effects of British Rule—Influence of Civil Courts* courts were everywhere set up in which debtors could be sued, suits against agriculturists were heard by the deputy commissioner and his assistants, who, with their intimate knowledge of village life, tended to decide them by the broad principles of equity, justice and good conscience, rather than by a rigid application of the law. Kindly feeling, therefore, prevailed between debtor and creditor till well into the sixties. In 1866 the Chief Court was established and pleaders were allowed to practise. Eight years later (1874-75) suits for debt were handed over to civil courts presided over by professional judges, called munsiffs, men trained in the strictest sect of the law, for the most part born in the town, knowing little of the village and often allied with the money-lender by caste if not by actual relationship. Owing, too, to the pressure of work, there was little temptation to go behind the bond, and the loose haphazard way in which the money-lender kept (and still keeps) his accounts, made it extremely difficult to disentangle the facts. Cases were too often rushed through and decided, as Mr. Thorburn says, 'on unreliable evidence by over-worked munsiffs, helped by under-manned, under-paid, and consequently corrupt establishments, almost all town-bred men of the desk ignorant of rural affairs'.¹ The rigid application of the law which ensued put the ignorant peasant entirely at the mercy of his creditor. 'Our civil legislation', to quote Mr. Thorburn again, 'is based on the assumption that the large majority of men are thrifty, intelligent and business-minded, whereas the converse is the truth. The many are improvident, stupid and incapable of comprehending figures. . . . The few are men of business, inheritors for generations of the commercial instinct, to whom gain is the

¹ An Additional District Judge, with 38 years' service to his credit, informed Mr. Thorburn, that out of 30 munsiffs who had served under him only two had sought to do true justice between man and man (op. cit., Appendix II).

great object of life.'¹ Once the munsiff and the lawyer were enthroned in the courts, legality and chicanery were apt to be found in forced alliance, to the confusion of justice and equity, and, as a cultivator remarked, the law instead of being used as salt became the whole diet. The evil was by no means confined to the Punjab. In 1888 the Chief Commissioner of the Central Provinces stated that the villagers everywhere considered that they were being gradually ruined by the civil court;² and as early as 1876 the Deccan Riots Commission reported that 'the facilities for the recovery of debt by our civil courts had called into existence an inferior class of money-lenders dealing at exorbitant rates of interest with the lower strata of the agricultural poor'. Much the same influences appear to have been at work in Baroda, and probably no part of India escaped them.³ With the establishment of civil courts and the decline of the village community the reign of the money-lender began. His power was first established in the submontane tract of the eastern Punjab, where the village community soon began to decay. In the west, tribal ties were strong enough to hold him in check for another decade, while across the Indus the rough and ready methods of the Frontier still make him walk with caution. Broadly however, his ascendancy may be said to date from the seventies, and, characteristically, it began with a series of famines, which gave him the opportunity he needed.⁴

Meanwhile, other influences were working in the same direction. Under the Sikhs the fruits of the earth were almost entirely absorbed in maintaining the State and its officials in plenty, and the cultivator and his dependents in penury. With the establishment of a beneficent Government and a comparatively lenient

¹ Op. cit., p. 79. Sir Michael O'Dwyer shared Mr. Thorburn's view, see *Gujranwala Gazetteer*, 1894, p. 86.

² *Note on Land Transfer*, etc., p. 105.

³ See *Report on Agricultural Indebtedness in Baroda*, 1913, paras 78, 81 and 88.

⁴ Mr. Thorburn states that in Sialkot, Gujranwala and Jhelum serious debt began in 1877, with the first period of scarcity after the establishment of purely civil courts for rural debt cases.

revenue assessment, the cultivator's position was entirely changed. Instead of having to meet a fluctuating demand varying with the caprice of local authority, he knew exactly what he had to pay, and in a good harvest found himself with a substantial surplus, which he could dispose of as he pleased. Moreover, with greater security, better communications and growing towns, this surplus could always be marketed. When there were only unmetalled roads for the circulation of trade, grain could be sold to advantage within only the narrowest radius. With difficulty was Gujranwala wheat sold in Lahore, 42 miles away,¹ and as late as 1858 a bumper harvest rotted in the godowns of Amritsar.² Three years later, with the opening of the first railway in the Punjab (from Amritsar to Lahore), the great change from mediæval to modern conditions began. The same year (1861) saw the opening of the Upper Bari Doab Canal, the first of the great canals that have revolutionized the trade of the province. By 1872 there were over 400 miles of railway, 1,000 miles of metalled roads, and 2,750 miles of canal; trade increased by leaps and bounds; wealth followed in its train, and in the village a money economy began to replace the old system of modified barter.³

These tendencies naturally varied with the proximity of each locality to road, rail and canal; but everywhere, in greater or less degree, they had one important effect. Land which had been almost unsaleable began to have value. In the later years of Sikh rule, owing to the general insecurity and the exactions of those in authority, no one would buy it; but with the advent of security and good government, of a fixed assessment and rising prices, it became an object of general desire. In some parts of the province this did not occur till well into the sixties, but by 1870 it was universal, and for the first time in his history,

¹ So the writer was informed by one who lived in those times.

² See *Narowal A.R.*, 1850-59, p. 146.

³ The *Ludhiana Settlement Report* of 1853 (p. 13) states that in certain parts of the district 'it would scarcely be saying too much to say that, excepting the village headmen . . . none others possess the ordinary use of money'.

the peasant proprietor of the Punjab found himself in possession of a valuable asset. The few acres which in the past had fed and clothed him with difficulty were now a source of comparative wealth, and it is at this period that the standard of living begins to rise and the money-lender to tighten his hold. The one to some extent led to the other. Desiring an investment for his rapidly increasing capital, and relying upon the ever-rising value of land for repayment, the money-lender proffered his advances with the utmost readiness. Few could resist the temptation, and partly from necessity—about this time there was a series of famines—and partly from a desire to gratify new wants, the small holder began to borrow more freely than he had ever done before. The mortgage that was rare in the days of the Sikh appeared in every village, and by 1878 seven per cent. of the province was pledged.¹ In Amritsar, at much the same date, (1880) there were 798 mortgages, against only 23 recorded before 1865,² and in Jullundur over fourteen lakhs were raised by mortgage in the seventies (1871-81) against only Rs. 40,000 in the fifties.³ By 1880 the unequal fight between the peasant proprietor and the money-lender had ended in a crushing victory for the latter, and, as some one said, apropos of the wealth that was pouring into the country, the money-lender got the oyster, while Government and the cultivator each got a shell. For the next 30 years the money-lender was at his zenith and multiplied and prospered exceedingly, to such good effect that the number of bankers and money-lenders (including their dependents) increased from 53,263 in 1868 to 193,890 in 1911.

In the last ten years, however, there has been a change. Throughout the province the power of the money-lender has been challenged, and he is no longer the
 Change in
 (a) *The Cultivator's Legal Position* despot he was. To understand this we must go back to the eighties. In 1886 Mr. Thorburn published his remarkable book, *Mussalmans and Money-lenders in the Punjab*, in which the money-

¹ *Note on Land Transfer*, etc., p. 44. ² *Amritsar S.R.*, 1892, p. 73.

³ *Jullundur S.R.*, 1881, p. 70.

lender's dominance was vividly depicted. Exhaustive official enquiry followed, which established beyond a doubt that the money-lender was slowly eating his way into the heart of the village. Mortgages, which in the early seventies had averaged only 15,000 a year, 20 years later (1888-93) averaged over 50,000;¹ and in ten years the annual increase in the area under mortgage rose from 165,000 acres (1875-78) to 385,000 (1884-88).² Writing about this time, Sir James Lyall, the Lieutenant-Governor, remarked that 'under the influence of indebtedness and of our present law and civil court procedure, transfers of land were proceeding in all districts in an increasing ratio, and in many with dangerous rapidity'.³ For 20 years the money-lender had been entirely uncontrolled by either law, custom or authority; and in this brief space a situation had developed not unlike that which confronted Solon 2,500 years ago. For ten years all the old remedies for usury and many new ones were propounded and discussed; and at last, as the new century opened, the bull was taken by the horns and the Land Alienation Act was passed (1901). Henceforward the professional money-lender could not dispossess an agriculturist from his land for more than 20 years. In other ways, too, the cultivator's legal position has been strengthened, and now he can neither be evicted nor arrested for debt; his plough-cattle, implements and seed cannot be attached; if he is sued, interest charges can be examined and, if necessary, reduced;⁴ and when he dies his ancestral property can be neither attached nor sold.

If his legal position has been strengthened, his economic position is also much stronger than it was. Three years after the passing of the Land Alienation Act
 (b) *his Economic Position* the co-operative movement was started and the first village bank established. The money-lender could now be dispensed with, and loans could be had at 12½ per cent. instead of at anything up to 75 per

¹ *Note on Land Transfer*, etc., pp. 35 and 44.

² *Ibid.*, p. 249.

³ *Ibid.*, p. 93.

⁴ Under the Usurious Loans Act of 1918.

cent. For many years, however, the peasant with characteristic distrust turned his back on the movement. Such, too, were his ignorance and isolation that it was some time before he began to realize how much his position had improved under the law. Up to the War, therefore, the money-lender still dominated the village, and, finding his clients as docile as ever, continued to lend as freely as before. The peasant had not yet reached the level at which rights are understood and grievances expressed. But since 1914 a change has begun, which is likely to have far-reaching effects. The War has stirred the stagnant waters of village life. A new spirit is abroad and the villager is no longer the ignorant, submissive, helpless creature that he was. A province that has sent its thousands, almost its tens of thousands, to every part of the world to fight is not going to be bled white by a class that it regards as little better than a parasite. Inspired by this awakening, the co-operative movement has developed beyond the wildest hopes of its infancy, and with its 9,000 village banks has become a formidable rival to the money-lender all over the province. As in other countries, too, the War, with its high prices for produce, has brought to many cultivators a prosperity undreamt of in the past. The standard of living has risen accordingly, and this, combined with the effects of the War, has produced the first stirrings of self-consciousness in the village. After centuries of acquiescence the villager has begun to take stock of his position and to ask himself whether he need continue any longer in the hands of money-lender, middleman and lawyer. The movement that attacks the money-lender through the village bank has opened commission shops to oust the middleman, and arbitration societies to dispense with the lawyer.¹ In parts of the central Punjab, the professional money-lender is definitely beaten. In Lahore, Amritsar and Hoshiarpur his power is not one-tenth of what it was, and round Jullundur, he is said to be almost extinct and to have been replaced by

¹ The 140 arbitration societies, which represented one of the most interesting and useful experiments made in the Punjab, have recently been closed by ministerial order.

village banks and the agriculturist money-lender, of whom something will be said later. Even in Multan, one of his strongholds, his grip is not as firm as it was, and in Rohtak, at another extremity of the province, the village gathering no longer finds him always sitting at the head of the charpoy, but more often at the foot, a small but significant sign of the change of the times. Hardly anywhere is the money-lender quite as influential as he was, or the cultivator quite as ignorant; and, as the position changes, recovery becomes increasingly difficult. In the central Punjab capital is being slowly withdrawn from money-lending and invested in the less troublesome sphere of trade; in more than one district money-lenders have migrated from village to town, and in Jhelum and Multan some are finding it more profitable to farm instead of to lend.

But the battle is by no means won. The prosperity following the War already shows signs of decline. Prices have fallen and population is increasing; the last four harvests have been good; the next four may be bad, and it is a series of bad harvests that gives the money-lender his chance. During the drought of 1920-21 he was found to be as indispensable as ever. Nowhere, not even in Jullundur, are village banks yet strong enough to tide the majority over a crisis. When seasons are bad, all but co-operators have to turn to the money-lender for help. The cultivator's position, therefore, is stronger in law than in fact. Even in the prosperous district of Lyallpur large sums are being borrowed to buy land in the new colonies of Bahawalpur, Bikaner and Sind. In the adjacent district of Jhang and throughout the western Punjab the money-lender continues to dominate, and in Multan he still 'tries his level best to get his pound of flesh by all means, fair or foul.'¹ In most of Dera Ghazi Khan, the cultivators 'live and move and have their being' in their *kirars*,² and the same is true of the whole of Muzaffargarh. In Rawalpindi in the north, and in Karnal in the south, things are much as they were 20 years

¹ *Lodhran A.R.*, 1920, p. 26.

² *Dera Ghazi Khan A.R.*, 1919, p. 14.

ago, and, speaking broadly, it may be said that in none of the less central districts is the money-lender's power seriously shaken. A hopeful sign is that the latest census figures suggest that he is declining in number; but, though this is marked in the central districts, in Rawalpindi, Ferozepore and Karnal there has been an increase of over ten per cent. and in Rohtak and Hissar of over 50 per cent.¹ It would seem as if defeat in one area were made good by gains in another; and it is still the case that at least one out of every four income-tax payers is a village money-lender,² and that the percentage of money-lenders to the population is three times as great in the Punjab as in the rest of British India.³ The money-lender's profits, says Mr. Calvert, 'probably exceed those of all the cultivators put together. Beside him, the professional class is inconsiderable; the industrial class is insignificant; even trade and commerce take second place'.⁴

So far we have spoken of the village money-lender, 'half shopkeeper, half lender and wholly usurer,' as if he belonged to a single caste. This, of course, is not the case. Excluding the agriculturist money-lender, most of the money-lending of the Punjab is in the hands of three castes; the Bania or Aggarwal, the Khatri and the Arora, all necessarily Hindu and all probably allied to each other in origin, though now distinct.⁵ Though there is much overlapping, broadly they may be said to have partitioned the province between them. South

¹ *Punjab Census Report*, p. 361.

² *Punjab Income-tax Report*, 1922-23, p. 6.

³ See figures for persons supported by 'banks, establishments of credit, exchange and insurance', in *Census of India*, 1921, i, 280-81.

⁴ *Op. cit.*, p. 130.

⁵ The Muhammadan Khojas of Chiniot and Sharakpur do a good deal of money-lending, but this derives from the time when they were Hindus. They are said to be even more exacting than the Hindu *kirar*, who is sometimes compared to a toothed drag-rake, which leaves something behind, while the Khoja is likened to a muck-scraper, which leaves nothing (*Kirar dandali Khoja phahora*)—a good instance of how little power religion has over business.

of the Suttlej the Bania prevails; in the central Punjab the Khatri, and throughout the west the Arora.

The Bania, being the most timid of the three, is consequently the most subtle and insidious. 'Heel ropes of silk and a bridle of munjh' is his motto,¹ and the (a) *The Bania* former always comes first. He is well described by Tavernier, and the description, though penned 250 years ago, is worth quoting, as it is still substantially true. 'The members of this caste', he says, 'are so subtle and skilful in trade that they could give lessons to the most cunning Jews. They accustom their children at an early age to shun slothfulness, and, instead of letting them go into the streets to lose their time at play, teach them arithmetic, which they learn perfectly, using for it neither pen nor counters, but the money alone, so that in a moment they will do a sum, however difficult it may be. . . . If anyone gets into a rage with them they listen with patience without replying anything, and they withdraw coldly, not returning to see him for four or five days, when they believe his rage to be over.' It is characteristic of the Bania that in times of scarcity his superstitions are as much directed to prevent a fall of rain as the cultivator's are to secure it. A lamp is filled with *ghi*, and, if the light is blown out, it is thought the clouds will scatter and prices go up. Or, if rain begins to fall before this can be done, it can be stopped by filling a pitcher with rain water and burying it where it can catch the discharge of a water-spout from the roof of a house.²

The Khatri is a man of different mettle. Allied to the great warrior caste of the Kshatryias, though he can claim no great distinction in the field, he has often (b) *The Khatri* been to the fore in the council chamber. Akbar's famous minister, Todar Mal, and the great governors of Multan, Sawan Mal and Mul Raj, were all Khatri, and so was the founder of the Sikh religion, the saintly Guru Nanak, and the nine Gurus that followed him. The caste is still the most influential in the Punjab, both in administration and

¹ *Pat di pichhari te munjh dian wagan.*

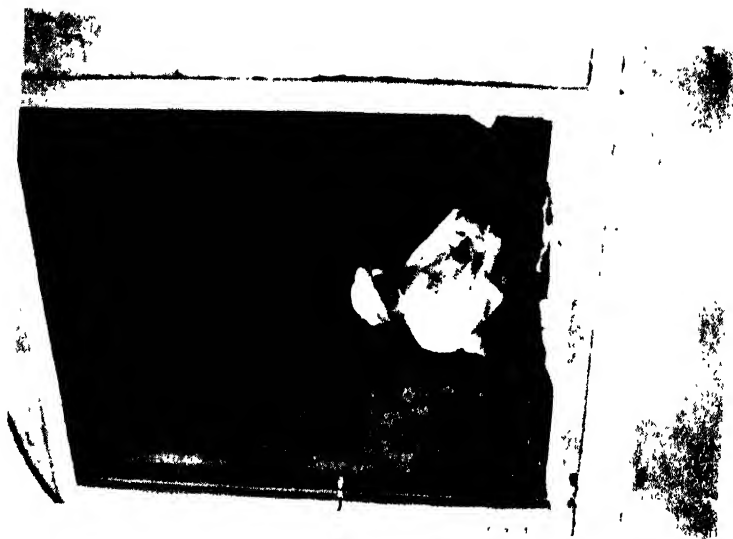
² H. A. Rose, *A Glossary of Tribes and Castes*, 1919, vol. i, p. 132.

trade, and is noted for its capacity and shrewdness. 'Even if a Khatri puts ashes on his head', says the proverb, 'he will make a profit.'¹ Owing to his varied interests, he is perhaps less exacting than his rivals and a trifle more human. He shares readily in the life of those around him, and in the north will tent-peg with the boldest of his clients. As, however, co-operation and prosperity spread, he tends to prefer the financing of trade to the financing of agriculture.

If the Khatri is the best of the three money-lending castes, the Arora, or the Kirar, as he is commonly called, is the worst. 'Even if they sleep, do not trust a
(c) *The Arora* crow, a *kirar* or a dog,'² says another proverb. With the craft of the Bania, the enterprise of the Khatri, he has a tenacity and thoroughness all his own. We have already come across him in Muzaffargarh and Dera Ghazi Khan, and we saw there how strong a hold he can obtain over both cultivator and land. Often a good farmer, even when he does not actually drive the plough, he looks after his land with care, and any improvement to be found in his neighbourhood is generally due to his capital, industry and thrift. He will turn his hand to anything that promises gain, and may be found weaving baskets and mats, beating out vessels of copper and of brass, working as a goldsmith, or even plying the tailor's needle and thread. 'When an Arora girds up his loins, he makes it only two miles to Lahore.' The rude primitive conditions of the western Punjab and the Frontier—he is to be found all down the Indus and the lower reaches of the Jhelum, Chenab and the Sutlej—have developed in him a hard energy of character flavoured with a taste for adventure. He has penetrated into Afghanistan, and even further afield into Central Asia. In Afghanistan, says Sir George Campbell, 'he is confined to the position of humble dealer, shopkeeper and money-lender; but in that capacity the Pathans seem to look on him as a kind of valuable animal; and a man will steal another man's Khatri not only for the

¹ *Je Khatri sir kheh pāwe*
To bhi Khatri Khatt liāwe.

² *Kān, kirār, kula dā,*
Visāh nā kiye sule dā.



AN ARORA MONEY-LENDER



ONE OF HIS VICTIMS

sake of ransom . . . but also as he might steal a milch cow'¹—a remark which illustrates the importance of the money-lender in a backward community and also his subordination where tribal ties are strong. The Arora is a useful servant, but an exacting master. For centuries he was nothing but a servile adjunct to the Muhammadan cultivator, who despised him as much for his religion as for his trade. Forbidden to wear a turban, and allowed to ride only on a donkey, and often the object of 'unmentionable indignities',² sufferance was the badge of all his tribe; but when British rule freed him from restraint and armed him with the power of the law, he became as oppressive as he had hitherto been submissive. 'Shylock', says Mr. Thorburn, 'was a gentleman by the side of Nand Lal, *kirar*, as Shylock, though he spoiled the Gentiles, was yet a man of honour. Nand Lal has none, commercially speaking. His greed for gain, the shameless effrontery with which he adds 50 per cent. to a debt, calls the total principal, causes his debtor to execute a bond for that principal with interest at 36 per cent. per annum more, a year or two after strikes a balance against his debtor and cajoles or wearies him into mortgaging to him an ancestral plot of good land or its produce, on the understanding, carefully excluded from the deed, that the mortgagor is to remain in cultivating possession, have entirely alienated the sympathies of district officers from men of his calling. Such hard business qualities make him feared, hated and despised by the agricultural classes.'³

PART II. THE SYSTEM

The money-lender's system must now be examined, and to understand it we must first consider his objects. Mr. Calvert states that he conspired not for the land but the crop.⁴ This was

The Money-lender's Objects

¹ The passage which is quoted from the *Ethnology of India*, though it mentions the Khatri, evidently applies to the Arora, who is much the more numerous of the two and controls most of the money-lending in Afghanistan.

² *Muzaffargarh Settlement Report*, 1880, p. 60.

³ *Mussalmans and Money-lenders in the Punjab*.

⁴ *Op. cit.*, p. 124.

certainly the case under Indian rule, for land was then of little value and difficult to acquire ; nor had the ordinary Bania or Khatri either aptitude or inclination to farm it. Being, too, a shopkeeper as well as a money-lender, he preferred to get the produce, on which, without much effort, he could reap a double profit, one from the producer to whom he lent and the other from the consumer to whom he sold. He was, therefore, content with the crop, and shared with the State the whole of the cultivator's surplus. This continued to be the case for the first twenty years of British rule, the only difference being that, with fixed assessments, the lion's share of the produce went to the money-lender instead of the State. After 1870 circumstances changed: land became a first-rate investment which was always rising in value. As soon as he realized this, the money-lender began to use it as an outlet for his rapidly accumulating capital, and, finding the investment more and more profitable, sought with increasing ingenuity to get the cultivator into his clutches and oust him from his land; and it was always the better land he coveted; the inferior he avoided. In Hissar, owing to a series of famines, he was able to impose such hard terms in his mortgages that a mortgage nearly always ended in sale.¹ In less than twenty years (1875-93) he succeeded in acquiring 1,179,000 acres in different parts of the province,² and in the single district of Gujranwala he purchased over half the land sold during this period.³ It was this phenomenon, as much as anything else, that led to the passing of the Land Alienation Act. Since then he has had to be content with the produce only. But whether it was the land or the produce he wanted, there was nothing he desired less than repayment in full, for that meant the loss of a customer as well as a client, and difficulty perhaps in finding a fresh outlet for his money. Happily for him the rates of interest in India have always been so high that it may almost be said, 'Once in debt, always in debt'. For this, however, he is not entirely to blame.

¹ *Hissar Gaz.*, 1915, p. 168. ² *Note on Land Transfer*, etc., p. 249.

³ *Ibid.*, pp. 50-52.

Rates of interest ordinarily vary with the amount of money available and with the risk incurred in lending it. In India, before British rule, money can never have been plentiful, and the risk in lending it must always have been great. This risk lay in the poverty of the borrower and the insecurity of the harvest. In case of default the cultivator had little that could be seized, and by custom his land was virtually inalienable. Repayment depended entirely upon the harvest, and, if a series of harvests failed, it might well be impossible. Rates of interest, therefore, have always been high compared with western Europe.¹ In ancient India, as we have seen, they varied from 15 to 60 per cent. Prior to British rule, the common rate was 25 per cent. for cash and 50 per cent. for grain.² These rates continued for a generation later,³ but as money became more plentiful and agriculture less insecure 18½ per cent. came to be generally adopted for cash and 25 per cent. for grain. In districts like Jullundur and Lyallpur, where there was a plethora of money, the cash rate fell to 12 and even 6 per cent.; conversely, in the more backward districts it did not fall at all. In the last three years, however, owing to a general scarcity of money in rural areas—so great this year (1923) that loans even against jewellery were sometimes refused—the rates have risen abruptly, a change accentuated in the central Punjab by the difficulty experienced in recovery, and in the less secured districts by the drought of 1920-21. In some areas rates have actually doubled, and in at least one district (Hazara) they rose to over 50 per cent.

¹ In western Europe the rates for loans on good security are said to have been as follows :—

A.D.	per cent.
1400	10
1500	8
1600	6½

(Keatinge, *Rural Economy in the Levant*, p. 91).

² See *Gujrat A.R.*, 1870, p. 105.

³ See *Gazetteers* of Ferozepore (p. 64), Sialkot (p. 78), and Jullundur (p. 41), all of 1883; also *Punjab Famine Report*, 1878-81.

These rates are for unsecured loans, and by no means hard and fast in their application. A large landowner with an unencumbered estate will pay considerably less, and a small proprietor who is heavily involved considerably more. For secured loans rates are comparatively low. A loan against jewellery can generally be had at 12 to 18 per cent., and against land at 9 to 12 per cent.; and in the case of the latter, if possession is given, the return will probably not be more than 4 to 6 per cent. But, outside the central Punjab, the unsecured loan is the commoner of the two, and if we strike an average for both, the peasant proprietor of the province can hardly pay less than 15 per cent. on his debt. If this is correct, the fact is important, for it means that, till rates are reduced, agricultural progress cannot proceed very far. No country in the world would have developed on modern lines, if it had had to pay 15 per cent. for its capital. At this very moment, such is the hunger for land, people are borrowing at 18½ per cent. to get a footing in the new canal colonies, with the result that money that should go to development will have to go to the money-lender instead.

But things are even worse than they seem. In the old days compound interest was limited by custom to 50 per cent. for cash and 100 per cent. for grain (*dam dude, Compound Interest jins dune*). Under British rule custom was replaced by law, which looked only to the bond, and interest was allowed to accumulate without limit. In 1896 a blacksmith of Hissar mortgaged his small plot of land for Rs. 26 at 37½ per cent. By 1906 the debt, without further loan, had swelled to Rs. 500, and in 1918—the judgment is before me as I write—a decree was given for the amount in full. At first sight it seems incredible, but, as Professor Marshall points out, at 60 per cent. (a rate by no means uncommon in India) a debt of £1, if allowed to accumulate, will become £100 in eight years. ‘Few people’, he adds, ‘reflect on such arithmetical results; but the professional lender has always known them.’¹ The Indian ryot, on the other

hand, has always ignored them, with serious consequences to himself, as the following illustrations show:—

The first is normal in every way, and is taken from a recent assessment report.¹ A Jat, called Telu, in the course of 20 years borrowed Rs. 350 and repaid Rs. 450. He now owes Rs. 1,000.

The next illustrates what may happen to a more substantial proprietor. His accounts may be summed up as follows:—

<i>Borrowed</i>		<i>Repaid</i>	
1901-11	Rs. 2,500 at 25 per cent.	(a) 2,400 maunds of grain	
1912	.. " 50	worth, say,	Rs. 5,000
		(b) Grain and cattle valued	
		at	800
Total Rs. 2,550		(c) 1912-18	.. " 1,100
			Total Rs. 6,900

In 1918, to settle accounts, 8 acres were mortgaged to secure Rs. 1,300 of the unpaid balance, and a bond was executed for the remaining Rs. 1,200. Thus in about ten years a loan of Rs. 2,550 became a debt of Rs. 9,400.

The last case is particularly illuminating. In 1896 a landowner of Gurdaspur died leaving an unpaid debt of Rs. 400. His son accepted liability for the whole amount by a bond, which was thrice renewed, namely, in 1899, 1903 and 1906. In 1909, the debt, which had risen to Rs. 2,700, was repaid by borrowing the amount from another money-lender. A few years later, 56 acres were mortgaged to secure the debt, which now amounted to Rs. 5,000, though nothing had been borrowed in the interval. Meanwhile, the debtor's son was being trained as a sub-inspector of co-operative societies. Fearing the effect of co-operation upon his business, the money-lender went to the father and offered him an allowance of Rs. 60 a month, provided he would withdraw his son from the Co-operative Department. He failed in his effort, but his fears were justified, for every second village in the neighbourhood has now a village bank.

¹ *Jagadri A.R.*, 1919, p. 16.

If compound interest can double a cash loan in three years, it will double a grain loan in two. Grain loans, therefore, are the more serious of the two. Till a money economy established itself in the village, nearly all dealings between a money-lender and his clients were in kind, and in greater or less degree the practice continued till the War, as it brought many advantages to the money-lender. First of all, it gave him the produce he wanted for his dealings as shopkeeper and grain merchant. Secondly, it yielded a higher rate of profit, for the account could be manipulated with ease. Neither credit nor debit would be entered at market rates, one or two annas a seer¹ being added in the case of an advance and deducted in the case of repayment. The cultivator, who would almost certainly know nothing about it, lost both ways. Thirdly, it was a simple matter to advance bad grain and get good in return. Finally, with harvest loans the amount to be repaid never varied with the date of the advance. One and a half maunds of wheat would be due in June, whether the original maund had been taken in October or March. In the Ludhiana *Bet*, in March, 1918, villagers whose supply of food was exhausted, in return for a maund of Indian corn valued at Rs. 4, were binding themselves to repay 1½ maunds of wheat in June or, failing that, 3½ maunds of Indian corn in January.² More recently in Muzaffargarh, under the stress of prolonged drought, there were cases of seed being advanced on condition that a quarter of the crop should be given in return. With the awakening of the cultivator, however, and the improvement in his lot since the War, there is everywhere a tendency to substitute cash for grain. After a bad harvest grain may still have to be borrowed for food and seed; but in the canal colonies and in the heart of the Punjab payment in kind has almost disappeared. Where, however, markets are few and communications bad, or

¹ Two lbs.

² These rates were corroborated by two money-lenders in my presence. In June, 1918, the price of wheat was about Rs. 5 a maund.

the people unusually backward, it is still the rule, and puts the cultivator entirely in the hands of the money-lender. The crop is hardly threshed before the latter swoops down and carries away, from the threshing-floor itself, all but what is necessary to keep the cultivator and his family alive till the following harvest. In parts of Gurgaon the grain is divided into three heaps, one containing six months' supply of food, another a supply of seed, and the third whatever remains. The last is the money-lender's share, and he sometimes takes the second as well. In Muzaffargarh, the whole wheat crop is usually taken and sometimes part of the autumn crop as well.

In this district, where the money-lender is the cultivator's banker, dealer and shopkeeper all in one, two accounts are kept, one for dealings in cash and the other for dealings in grain. In the former are entered, on the credit side, whatever is obtained from the sale of cattle and fuel, from work on the canals, and from the proceeds of ropes and mats made from riverain grass. On the debit side appear the petty household purchases made at the money-lender's shop and the sums borrowed for cattle, litigation and marriage. Into the grain account goes all the wheat, with perhaps millet and rice as well; and against it are debited advances of grain for seed or food. For the first year the cultivator has nothing to complain of, and, so long as accounts balance, he gets his banking and storage facilities at a moderate charge. But once he falls into arrears—and sooner or later he can hardly avoid it—he has to pay compound interest at an exorbitant rate; his grain is credited at less than the market price; the cash and grain accounts are manipulated to his disadvantage—if wheat rises in price, cash is converted into grain, and vice versa if it falls; and, finally, further advances are given on increasingly rigorous terms. The net result is what was described in a previous chapter, a peasantry hopelessly involved, overcharged for their loans, underpaid for their produce, too impoverished to develop their land, and at the mercy of a class alien in race, religion

and trade.¹ With only a difference of degree, this is the case wherever grain dealings prevail; for instance, amongst the Meos of Gurgaon in the south, the Gujars² and Rajputs of Shakargarh in the east, and the Awans of Attock in the north.

It has been said that interest so rapidly doubles and trebles a debt that a money-lender has no occasion to be dishonest. This might be true if there were any limit to the cupidity of man. As it is, rapacity and dishonesty go hand in hand in this as in everything else. The Attock Gazetteer (p. 169) gives a long list of malpractices, most of which will be found wherever the money-lender is dominant. The commonest are as follows:—

(a) An anna is deducted from every rupee advanced and interest is charged upon the whole amount;

(b) when the balance is struck, the debtor may be forced to go before the sub-registrar and state that he has received the whole amount in cash, though most of it is accumulated interest;

(c) debts are misrepresented in the ledger by entering inferior grains as if they were wheat;

(d) no interest is allowed on repayments in kind, and not as much as is due on credits in cash;

(e) a full year's interest is charged on a loan, though the latter may only have been taken a few months before the balance is struck;

(f) accounts are kept in such a loose, unintelligible way that interest cannot be separated from principal;

(g) old grain is doled out for food in the cold weather and repayment is taken a few months later in wheat or cash, plus 25 or 50 per cent. (rates which during the recent drought in Talagang and Pindigheb were doubled); and finally,

(h) the bulk of a man's grain is taken straight from the threshing-floor, so as to compel him a month later to

¹ The settlement officer, Muzaffargarh, is my authority for the facts given above in regard to Muzaffargarh. The description applies equally well to much of Mianwali and Dera Ghazi Khan, and also to the Shahpur Thal (see *Khushab A.R.*, 1914, p. 17).

borrow at a high rate of interest for the payment of his land revenue.

Thirty years ago these practices were common enough throughout the province, but they have almost disappeared from the central Punjab. The loose system of keeping accounts is, however, universal, and, combined with the cultivator's total inability to read or understand an account, is a fertile source of dishonest dealing. When, for instance, interest is charged for the whole month though repayment was made at the beginning, and when 12 months are converted into 13 by the simple process of counting the month in which the loan was made as well as the month in which it was repaid, it probably never occurs to the ordinary cultivator that he is being cheated. But the commonest practice of all is the deduction of one anna in the rupee when a loan is made, which means that when Rs. 100 is borrowed less than Rs. 94 is paid. If a man's credit is exceptionally good, he may avoid this; but if it is unusually bad, he may have to pay double. In a recent case in Muzaffargarh Rs. 40 were cut out of Rs. 100; this was more than the cultivator could stand, and he gave up his land and left the village. In Hazara (on the Frontier) deductions of 50 per cent. have occurred,¹ and it is significant that this was the result of drought combined with a scarcity of money, in fact of the two conditions that, prior to British rule, were constantly present. If in those days the money-lender was not so extortionate, it was for reasons already described: he was restrained by the public opinion of the village and the difficulty of enforcing his claims at law. In the central Punjab and in the canal colonies new forces are coming into play which are having much the same effect; but elsewhere, with the exception of Rawalpindi and Rohtak, where military service has improved both intelligence and resources, he can still do pretty much as he pleases, a sign of which is the fuel and fodder, the milk and *ghi*, and the gratuitous service that in many places are sometimes exacted in addition to interest.

The deputy commissioner is my informant.

There is no reason to suppose that the system we are describing is peculiar to the Punjab, or even to India.

Outside the Punjab Speaking in the Governor-General's Council in 1879 in support of the Deccan Relief Act, Sir Thomas Hope made the following illuminating remarks:—

'That the money-lenders do obtain bonds on false pretences; enter in them sums larger than agreed upon; deduct extortionate premiums; give no receipts for payments and then deny them; credit produce at fraudulent prices; retain liquidated bonds and sue on them; use threats and warrants of imprisonment to extort fresh bonds for sums not advanced; charge interest unstipulated for, over-calculated or in contravention of Hindu law, and commit a score of other rogueries—these are facts proved by evidence so overwhelming that I scarcely know what to quote out of the five volumes composing the Report of the Commission.'

Outside India the case of Germany and Italy need only be quoted. Of western and southern Germany, 30 or 40 years ago, Mr. H. W. Wolff writes as follows: 'We have no idea of the pest of remorseless usury which has fastened like a vampire upon the rural population. Even the gombeen-man cannot compare with the hardened blood-sucker of those usury-haunted parts. The poor peasantry have long lain helpless in his grasp, suffering in mute despair the process of gradual exinanition.'¹ The oppressors were Jews, and one of their favourite devices was to sell cattle to impoverished cultivators on credit and a year later have them attached for default, thus getting them fattened for nothing.² In Italy, till co-operation came, if the small holder wanted to add to his stock or develop his land, he had 'to borrow at an interest of from four to twelve per cent. per month';³ and even the petty exactions of fuel, fodder and *ghi* had their counterpart in the presents of fruits and vegetables

¹ *People's Banks*, 1919, p. 112.

² *Some Aspects of Co-operation in Germany, Italy and Ireland*, 1922, p. 26, by the author.

³ Bolton King, op. cit., p. 183; see also *People's Banks*, p. 296.

and the dinner on Sundays occasionally given to the local usurer.¹ As Sir Frederick Nicholson says, 'While human nature is as it is, the money-lender cannot—if he wishes it—avoid entangling the peasant: the danger and the difficulty of the ryot in India is not singular; it is common to the small holder all over the world.'² In India the natural docility of the people has tolerated almost any oppression; but occasionally the worm has turned, and murder and disturbance have resulted. The writer knows of a well-placed official, a B.A., whose father acquired local fame by heading a party of outraged villagers against their *sahukar*, whom they threw on to a bonfire. And in Attock there is the well-known case of the money-lender who was waylaid in a solitary place and killed, and whose head, hands and feet were cut off and strapped on to his pony, which was left to find its way home alone.³ Of disturbances, we have the Sonthal Rebellion of 1855, the Deccan Riots of 1874, and those of Ajmer in 1891, all of which were inspired by hatred of the money-lender; and, more recently, we have the case of Muzaffargarh and Jhang, where in the first year of the War the people, believing that the German Emperor had arrived, rose *en masse* and burnt, looted and raped at the expense of the *kirar*.⁴

It is not difficult to indict the village money-lender, but there are extenuating circumstances which it is only fair to remember. If interest charges are high, *The Cultivator as a Borrower* they are not entirely disproportionate to the risk and unpopularity of his calling. It is significant that the petty shopkeeper, whose only security is the modest stock-in-trade of his store, can borrow at half the rates generally paid by the cultivator. The reason is that he is more reliable and punctual in his dealings.

¹ Nicholson, *op. cit.*, i, 45.

² *Ibid.*, i, 44.

³ *Rawalpindi S.R.*, 1887, p. 40.

⁴ Compare Japan, where there are said to be three weapons against usury. 'First there may be tried injuring the offending persons' house—rural dwellings are mainly bamboo work and mud—by bumping into it with the heavy palanquin, which is carried about the roadway at time of the annual festival. If such a hint should prove ineffective, recourse may be had to arson. Finally there is the pistol' (Robertson Scott, *op. cit.*, 57).

Whether the cultivator is actually dishonest or not is a question upon which much might be said. In the western Punjab, and probably, too, in the south, his intention is rarely to evade; but everywhere his habit is to postpone. Like the man described in the Apocrypha,

Till he hath received he will kiss a man's hand;
And for his neighbour's money he will speak submissively:
And when he should repay he will prolong the time,
And return words of grief, and complain of the time.¹

Anyone who has experience of co-operative work in this country knows only too well how glib the defaulter is with his 'words of grief', and how readily, to avoid payment, he will 'complain of the time'. The energetic money-lender meets the difficulty by dogging the footsteps of his clients as soon as the harvest is cut. At worst he threatens a suit, which the ordinary cultivator dreads, fearing a slur upon his *izzat*; and he can always trade on the fact that he is still indispensable. But for this his position in the central Punjab would now be decidedly weak, for, as the cultivator gets to know his position under the law, he shows a tendency to evade as well as postpone. The money-lender, therefore, is becoming more cautious, a good example of which is the following incident. A year ago a Gurdaspur *sahukar* stopped to rest in a village, and was pressed by some of the villagers for a loan. He promised to help, and begged them to come and see him the next day. Seven of them, all, it is sad to relate, members of the local village bank, followed him there accordingly. After the usual refreshment he spoke to them as follows: 'Brothers, I am re-roofing my cattle-shed and want some *jantri*² for the purpose; can you help me to get it? But I will only accept it if it is brought from your own fields and not from the fields of others.' Five of the seven stood up at once, and said nothing would be easier; there was plenty of it growing in their cotton and sugar-cane. The other two expressed regret that there was none to be had

¹ *Ecclesiasticus*, xxix.

² A large bush which grows to a height of seven or eight feet, and is used for fuel and thatching.

in their own fields, but, if it was urgently needed, they would explore the fields of their neighbours. 'Thank you', said the *sahukar*, 'I do not want *jantri*, but I wanted to know in whose fields it grows.' To the two he advanced Rs. 100 each, but to the five he said: 'If *jantri* grows in your fields, they will give you nothing; how then can you give anything to me? No dealings will I have with you.' An interesting point is that the five were all bad defaulters of the village bank, while the two were the only members who were making any effort to repay.

If in the more advanced parts of the province a new caution is forced upon the money-lender by the weakness of his legal position, in the more backward, where dealings are mainly in grain, economic forces are producing a somewhat similar result.

*Effect of Fall
in Prices*

This is due to a sudden fall in the price of agricultural produce following a period of drought; last year wheat, the staple grain of the province, fell from Rs. 10 to Rs. 3-12 a maund. In normal years the 25 or 50 per cent. usually charged for an advance of grain is sufficient to guard the money-lender against any seasonal fluctuation of price. Thus, if wheat is Rs. 4 a maund when advanced for seed and Rs. 3-4 when repaid at harvest, a 50 per cent. rate of interest yields a profit of 22 per cent., and even with the lower rate there will be no loss. But, with the fall that occurred last year, even the 100 per cent. rate that was commonly charged proved insufficient for the purpose.¹ And what made things worse was that the fall followed a period of drought, during which not only was nothing repaid, but considerable advances had to be made to replace cattle killed by drought and to keep the cultivator and his family alive. There were, therefore, heavy arrears to collect, so heavy in the case of Muzaffargarh that the settlement officer doubts whether they can ever be recovered. The land, he says, is over-burdened and the money-lender, whose only security is the crop, will now finance only the

¹ Where, as for instance in Karnal, grain accounts are kept in terms of cash, loss was avoided.

more productive holdings. What will happen if these are permanently deprived of the credit which is indispensable to agriculture, is a problem that only the future can solve ; and it is a problem which may arise wherever the money-lender finds it difficult to recover his dues.

Whatever the causes and whatever the difficulties, the caution with which the money-lender has now to proceed is a change for the better. Nothing could be more demoralizing than the old system, under which money, more money, and still more money was continually pressed upon the peasant proprietor, until he became bound hand and foot to his creditor. Out of 742 families examined in detail by Mr. Thorburn in 1896, 'only in 13 cases did a once involved man recover his freedom'. Enticed by the *sahukar* to borrow for every want, the peasant proprietor during the last 50 years, as we shall see in the next chapter, has sunk deeper and deeper into debt. Yet it was only human nature for the money-lender to do what he did : there was no other opening for his capital ; the financing of agriculture was a necessity, and the cultivator was ignorant, improvident and irregular. In the bargain he drove, like everyone else in business, he thought only of himself ; and, like others who have had great power, he abused it. To censure him is to censure the imperfections of mankind. We should rather blame the system than the man it has moulded. This system is rotten to the core, and our forefathers were right to condemn it, for, unless controlled, money-lending demoralizes both lender and borrower.¹ The proof of this is that the agriculturist money-lender, of whom something must now be said, though of totally different caste and tradition, is, if anything, worse than his professional rival.

The agriculturist money-lender is by no means a new feature in village life—we hear of him as long ago as 1876—

¹ 'There is the strong concurrent opinion of local officers . . . that the relations of the *sahukar* and *ryôt* have been productive of considerable demoralization of the latter' (*Delcan Riots Commission Report*, 1876, para iii).

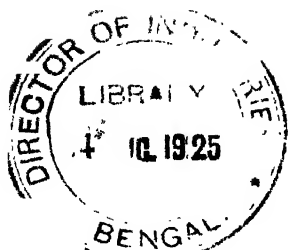
The Agriculturist Money-lender but it is only in the last 20 years that he has come to the fore. Money-lending is so profitable and opportunities for investment so few, that anyone in this country with spare cash is tempted to lend.¹ Fifty years ago few agriculturists were able to do so, but now there is a fortunate minority who have more than they need. Large sums, amounting sometimes to Rs. 50,000 or more, have been brought back from Australia and America by returned emigrants; many Indian officers came home from the War with two or three years' pay in their pockets; many, too, of those who stayed at home, for the most part the larger holders, have been enriched by high prices. When a pukka house has been built, land has been bought and a wife decked with jewellery, what remains will be given out on loan. A retired soldier known to the writer, during 18 years' military service, saved Rs. 600, but four years of lending it out were sufficient to double it. Wherever, therefore, there are returned emigrants, ex-officers or large holders, who are not Muhammadans, the agriculturist money-lender will be found; and in these areas the whole mortgage debt is rapidly passing into his hands. The most prominent type is the Sikh Jat of the central Punjab, who has some of the canny business flair of the lowland Scot. Round Jullundur he has already ousted the *sahukar*, and in Amritsar, Ludhiana and Hoshiarpur he meets him on almost equal terms. In the south the Hindu Jat of Rohtak, a district full of ex-officers, runs him close, and here and there even the Muhammadan Jat is finding ways of squaring the precepts of religion with the claims of business.

But if emigration, soldiering and high prices have given the agriculturist money-lender his means, it is the Land Alienation Act that has given him his opportunity. The *sahukar*, deprived by the Act of the security of the land, can only lend up to the limit of what can be repaid from the produce; but the agriculturist money-lender, to whom the

¹ In other parts of India also, e.g. Eastern Bengal and Assam (*Imperial Gazetteer*, 1909, p. 67), the money-lender is often an agriculturist; in Madras, indeed, this is generally the case (Nicholson, *op. cit.*, i, 17).

Act does not apply, can afford to lend up to the value of the land, and with land selling at inflated values this limit is considerably higher. He is, therefore, in the stronger position of the two; and ultimately he is the more formidable, for his object is the land, and to obtain it he will press a client till he is compelled to sell. On the other hand, the *sahukar* depending solely on the produce for repayment, hesitates to drive a client to extremes lest he should give up producing. It might be supposed that the Jat would be the more merciful of the two, as he is dealing with his own kith and kin. This, however, is not the opinion of the countryside. He may charge less at the start and is certainly less cunning in his devices, but most agree that he is harsher in his means. There is truth in the old saying, 'The cock and the crow nourish their families; the Jat and the crocodile destroy them.' The *sahukar* will occasionally knock off part of his interest, but, as a villager in Ludhiana remarked, 'a Jat forgoes nothing—not even a pebble (*gitt*)'. The Jat, too, being an agriculturist, knows how the cow can be milked, and is able to squeeze the last drop out of his client. Moreover, the *sahukar*, being timid by nature, can sometimes be intimidated, but 'the Jat seizes you by the throat and knocks you down'. As a zemindar said to the writer, if the Land Alienation Act has rescued the sheep from the wolf, it has only been to hand him over to the butcher. A good instance of this is the case of a Pathan (Muhammadans are not so strict as they were about the taking of interest), who lent Rs. 8 to a Jat Sikh, and, after time-honoured custom, entered the loan as Rs. 10. Interest was fixed at the monthly rate of two annas per rupee, and charged on the ten rupees nominally borrowed, which means that the rate per annum was $187\frac{1}{2}$ per cent. Fortunately, a philanthropic member of the Co-operative Department discovered the debt before it had assumed unmanageable proportions, and with his help the debt was paid off in full. But, if there is little to choose in method between the *sahukar* and the agriculturist money-lender, both politically and socially the latter is less of an evil; for on the whole it is

better that land should pass into the hands of those who can both cultivate and defend it than into the hands of those who rarely do either. • A Jat, too, is flesh and blood of the village to which he belongs, whereas the *sahukar* is apt to become a parasite in its system. But, when all is said and done, the growing influence of the agriculturist money-lender, which is largely the result of the Land Alienation Act, can only be regarded with apprehension, and incidentally illustrates how difficult it is to cure economic evils by legislation.



CHAPTER XI

PROSPERITY AND DEBT

'The devil's grown wiser than before ;
He tempts by making rich, not making poor.'

The Punjab is agriculturally the most prosperous province in India, and it is probably also the most indebted. The

object of this chapter is to examine this *Prosperity of the province* apparent paradox.

Materially there is no comparison between the Punjab of to-day and the Punjab of 70 years ago. Only in the south-west of the province does the immemorial poverty of India still continue. Everywhere else there has been change, and, as we saw in examining the rise in the standard of living, the change has been most marked in the central districts and the canal colonies. The peasant is better fed and better clothed than he was a generation ago, and he is also beginning to be better housed. Luxuries, once confined to the town, are appearing in the village: silver is worn instead of gold and muslins instead of homespun. Many who went on foot now travel in *tum-tum* and tonga, and few remain who are obliged to walk unshod. If the women are idler, the men are busier, for cultivation has increased faster than population.¹ Thanks to 20,000 miles of canals, the fear of famine has been almost banished, and, though cattle still die in thousands, man himself is safe. In some districts he may have to leave his village till the drought is passed, but he need no longer starve. With the spread of the canal, too, has come an immense development of trade. In 1872 the Punjab received only four lakhs (about £30,000) for its surplus grain; in 1918 the amount was over 24 crores (£16 millions). In 50 years cultivation has increased by 50 per cent., and the value of what is produced has risen

¹ Since 1868 population has increased by 22 per cent. and cultivation by 50 per cent.

from 35 to over 120 crores (£80 millions). The canal colonies alone produce £20 millions a year (p. 132). Every year gold and silver is absorbed in crores—in the last three years of the War the amount was over £14 millions, and there is now so much money available that the average amount on deposit is double the average for the rest of India.¹ Most significant of all is the rise in the value of land. Worth in 1866 about Rs. 10 an acre, it has sold in the last three years at an average of Rs. 198.² In 1862-63 Government congratulated itself that the sale price stood as high as seven years' purchase of the land revenue;³ in 1922 the corresponding figure was 292. In the sixties land in Ferozepore was hardly saleable at all;⁴ now perennially irrigated land sells at Rs. 600 (£40) an acre, 'which is higher than what good land sells at in Britain'.⁵

But there is another side to the picture. If prosperity has increased, so also has debt; and the increase in the one is only less remarkable than the increase in the other. The last chapter should have prepared us for this, for we saw that, though at the beginning of British rule mortgage was rare and the money-lender weak, by the seventies the one was common and the other powerful. By 1874 over one million acres were mortgaged and by 1891 nearly 4 million. Since then, though there has been no great increase in the area under mortgage, mortgage debt appears to have increased by over 25 crores.⁶ If we

¹ For nearly all the figures given above see Calvert, pp. 68, 162-63; for the present value of total produce see p. 17 *ante*.

² *Ld. Rev. Ad. Reports*, Stat. xxiv.

³ *Indian Famine Commission Report*, ii, 125.

⁴ Memo by Financial Commissioner, dated 15th August, 1889.

⁵ Roberts and Faulkner, *op. cit.*, p. 11.

⁶ This has been calculated by deducting the amount paid for redemption from the amount raised every year by mortgage, see annual statements in the Land Revenue Administration and Land Alienation Act reports; figures for the North-West Frontier Province have been excluded, but not those for the Delhi province, which was separated from the Punjab in 1912; the latter, however, are not important. Some deduction must be made on account of mortgages to non-agriculturists since the passing of the Land Alienation Act,

assume, as before (p. 7), that mortgage debt is only 45 per cent. of the whole, the total increase amounts to 57 crores. It may even be more than this, as the following calculation shows. In 1891 the mortgage debt of the province (*including* the North-West Frontier) was estimated at 7.83 crores.¹ Assuming again that it was only 45 per cent. of the whole, total debt in that year would be about 17 crores. The corresponding figure for 1922 (*excluding* the Frontier Province) is 82 crores, or 65 crores more than in 1891.² If the Frontier were excluded from the figure for 1891, the increase would be even greater, and we should probably find that debt was five times as great as it was 32 years ago. In the last 30 years, therefore, we may safely conclude (*a*) that rural debt has increased by at least 50 crores, and (*b*) that it has multiplied fourfold.

If further evidence is needed, it may be found in the figures for the following districts, which represent all parts of the province :—

District	MORTGAGE DEBT (in lakhs)	
	At date specified in brackets	in 1922
Rohtak (excluding Sonapat)	.. 6½ (1873-79) ^a	83
Jullundur .. ..	.. 32 (1886) ^a	197
Rawalpindi .. ..	.. 9 } (1878-82) ^a {	29
Attock .. ..	.. 7 }	50
Jhang .. ..	.. 11½ (1880) ^a	64
Muzaffargarh (excluding Leiah)	.. 13 (1883) ^a	80
Bhakkar and Leiah Tehsils	.. 5 (1879) ^a	24
	<hr/> 84	<hr/> 527

as these are now automatically extinguished after 20 years without payment, but informal enquiry suggests that the deduction to be made on this account is small.

¹ On the 30th September, 1891, 3,918,873 acres were mortgaged for Rs. 7,83,77,000 (*Note on Land Transfer*, etc., p. 45).

² The amount of usufructuary mortgage in 1922 (including occupancy tenants as well as proprietors) was 37.20 crores (*Ld. Rev. Ad. Rpt.*, 1922 p. 28).

^a *Rohtak S.R.*, 1873-79, p. 63.

^a *Jullundur S.R.*, 1886, p. 71.

^a *Rawalpindi S.R.*, 1887, p. 144.

^a *Jhang S.R.*, 1874-80, p. 12.

^a *Muzaffargarh S.R.*, 1883-84, p. 83.

^a *Dera Ismail Khan S.R.*, 1872-79, p. 363.

In these seven areas mortgage debt has multiplied more than six times in about 40 years, a ratio which agrees well enough with the estimated increase of 400 per cent. for the last 30 years.¹

The figures, however, are subject to one important qualification. The rupee to-day is not nearly as valuable as it was 30 or 40 years ago. Measured in terms of five staple crops, its purchasing value is less than half what it was in the eighties.² Accordingly, to obtain the real increase in debt, we must divide the results by two. Even so, debt has doubled in 30 years. The most significant feature of this increase is that it coincides with a period of unexampled prosperity and development. That this is not a mere coincidence will be apparent from what follows.

In the first chapter it was stated that if the *existence* of debt was due to necessity, its *volume* depended upon credit, and that the link between the two was the money-lender (p. 15). In examining the latter and his methods we saw that with the advent of British rule the old village system of barter

*Expansion of
Credit*

¹ The increase may also be measured in terms of land revenue.

Figures are available for the following 15 tehsils, thus :—

Tehsil	MORTGAGE DEBT'S MULTIPLE OF LAND REVENUE		
	In the year specified in brackets		In 1922
Gurgaon (4 tehsils)	3½	(1878)	9
Rohtak (3 tehsils)	4	(1879)	14
Ambala and Jagadri	4½	(1886)	15½
Kaithal	1½	(1888)	3
Gujranwala and Wazirabad	3	(1891)	4
Kahuta (Rawalpindi)	2	(1882)	6
Bhakkar (Mianwali)	2	(1879)	6
Leiah (Muzaffargarh)	2½	(1879)	11

The increase in this case is about 300 per cent.; if this is less than in the case of the districts given above, it is because land revenue itself increases with the increase in prices. The earlier figures are all taken from the settlement or assessment reports of the dates named.

² Professor W. H. Myles, Professor of Economics, Lahore University, calculates that the purchasing power of the rupee, measured in wheat, gram, barley, *bafra* and *jowar* was 120 per cent. greater in 1911-20 than in 1881-90.

gradually gave way to a money economy, that land which had been almost valueless became an object of general desire, that the money-lender, seeking an outlet for his increasing wealth, did his utmost to make the cultivator borrow, and that the cultivator was unable to resist the temptation. In a word, money was plentiful, security good, credit easy, and borrowing uncontrolled. Now experience shows that when these conditions prevail, rural debt invariably increases. 'Credit', says Professor Gide, 'holds up the landowner as the rope holds up the hanged man'.¹ We have abundant evidence of this in the settlement reports of the last 50 years. 'Indebtedness', says one of the earlier ones, 'seems due not to the impoverished condition of the people . . . but rather to the increased value of the land, which has given the zemindar greater facilities for borrowing by improving the security he has to offer'.² It is pointed out that under Sikh rule the agriculturist had to pay away all his spare produce and that nothing was left on which he could borrow; but with the introduction of a fixed cash assessment, the extension of road and rail, the opening of new markets and the rise in prices, the cultivator, after meeting all his obligations, found himself with a handsome balance, on the security of which the money-lender was glad enough to lend. The next stage is described in another report of the time. 'When the owner of a good well or a fat piece of *sailab* deals with a Bania, he finds that his credit is unlimited. It is a case of spending made easy. He can have whatever he wants whenever he wishes. All that he is troubled with is his signature or assent to the usual six-monthly statement of accounts'; and the settlement officer pertinently adds, 'so long as a zemindar has credit so long will he borrow'.³ Another and most important aspect of the process is emphasized by Mr. Thorburn. 'In 1849-50', he says, 'we converted collective into individual ownership of land, plus the right to alienate it at pleasure. By so doing we made an unconditional gift of a valuable estate to every peasant proprietor in the Punjab, and raised his credit from the

¹ *Political Economy*, p. 394. ² *Jullundur S.R.*, 1881-85.

³ *Jhang S.R.*, 1874-80, p. 130.

former limit of the surplus of an occasional good crop to the market value of the proprietary right conferred. . . . Until then his borrowing was limited to a few rupees, recoverable only at harvest time. . . . In one day the old order passed away and gave place to a new one, which imposed upon this unsophisticated Punjabi a responsibility to which he was unequal. . . . To his surprise and delight he found that his former petty borrowing powers were now practically unlimited, his Bania being ready to accommodate him to any extent.¹

As we have said before, debt follows credit, and, though there are other factors, this is the key to the problem. It explains why, in 1873, five out of the seven most heavily mortgaged districts of the province were 'amongst the most prosperous and wealthy',² and why in the last ten years debt has increased much faster in the richer districts than in the poorer.³ The settlement officer of Rohtak was right when he wrote that 'a zemindar limits his borrowing not by his wants but by his opportunities'.⁴ This is clear from the following figures obtained from my enquiry :—

	Average debt per <i>indebted proprietor</i>	Percentage free of debt
25,840 proprietors owning or cultivating over eight acres..	Rs. 570	18
17,180 proprietors with eight acres or less	„ 310	17
7,505 tenants at will, farm servants, etc.	„ 135	22

It will be seen that, though almost as many small holders are in debt as large, the amount of their debt is much less, while the tenant is the least indebted of all. The reason is that the more land a man has, the more he can borrow, and

¹ *Mussalmans and Money-lenders in the Punjab*, p. 49.

² *Note on Land Transfer*, etc., p. 44.

³ Eight out of the nine districts in which debt has increased fastest are markedly prosperous, viz. Lahore, Amritsar, Ferozepore, Jullundur, Hoshiarpur, Ludhiana, Sialkot, and Lyallpur.

⁴ *Gohana A.R.*, 1907, p. 12.

the more he borrows. Conversely, the man who has no land at all can borrow comparatively little.

If it is true that debt follows credit, those who have no credit will have no debt. This, too, is the case. In Jhang at one time there were numbers of villages in which there was hardly a single mortgage, as cultivation was uncertain, the people nomadic, and credit correspondingly low.¹ In Ludhiana 'villages with weak soils and little irrigation are very often more free from debt than the finest villages';² and in Muzaffargarh, perhaps the most deeply involved district in the province, the poorest villages are not in debt because they have no credit, in illustration of which the present settlement officer gives the following example: 'Near Basira are two adjoining villages, owned by a multitude of Balochis whose holdings average half an acre each. The land in both is of about the same quality, but there is a great difference in the water supply. In the village with the worse there is no debt or mortgage, as there is no security for a loan, and the owners lead a decent if penurious existence as day labourers; in the village with the better canal supply, 100 per cent. of the land of the Balochis has long been mortgaged to Hindus, who take the whole of the produce and treat the nominal owners as serfs, employing them as labourers to steal cattle and water.'

The fact that debt follows credit explains a point that might otherwise be obscure. In the last 30 years debt increased much faster in the first and last decades than in the second. This is shown by the following figures:—

Increase in debt (crores)				
1893-1902	..	..	..	16
1903-12	..	..	..	9
1913-22	..	..	..	30

This contrast is mainly due to the contraction of credit caused by the Land Alienation Act, which came into force in 1901. The professional money-lender, debarred by the Act, from obtaining possession of land held by an agriculturist, became

¹ *Jhang S.R.*, p. 172.

² *Ludhiana A.R.*, 1910, p. 14.

for a time more chary in making advances, and restricted his loans to what could be repaid from the produce. But, as prices rose, he was able to relax his caution and in time advanced as freely as before. With increasing prosperity, too, more and more agriculturists set up as money-lenders, dealing largely in mortgages. Within ten years, therefore, conditions had adjusted themselves to the position created by the Act, and borrowing went on more briskly than ever, so much so that in the last ten years debt has increased by 30 crores (£20 millions). No other decade in the history of the Punjab can have seen so great an increase as this; nor has any other decade seen a greater advance in prosperity. After what has been said, it is a fair presumption that the one could not have occurred without the other.

It is not only in the Punjab that an expansion of credit generally leads to an inflation of debt. In Nagpur and Jabalpur, two districts of the Central Provinces, the rise in the value of land which followed the opening up of the country by rail to the trade of the world, produced an outburst of extravagance, 'and the standard of expenditure on marriages . . . reached a point which it was altogether beyond the real capacity of the land to bear except in very favourable seasons'.¹ In the Deccan in the sixties a similar expansion of credit, this time due to a sudden rise in the value of cotton (the result of the American War), led to much improvident borrowing.² More recently, both in Madras³ and Baroda,⁴ debt is said to be increasing with the rise in the value of land, and in a Burma report we read that 'where land is dear indebtedness is high'.⁵

Outside India we find the same influence at work. The great increase in peasant indebtedness, which took place in Europe in the latter half of the nineteenth century, was due

¹ Memo. by Sir J. B. Fuller.

² *Indian Famine Commission Report*, 1880, ii, 133.

³ Slater, *Some South Indian Villages*, p. 241.

⁴ *Baroda Report*, op. cit., para. 90.

⁵ *Burma Co-operative Societies' Report*, 1919, p. 18.

inter alia to a rise in the value of land.¹ Till the French Revolution, and in some countries till much later, the peasant in Europe was still in a state of semi-villeinage, with by no means the right to alienate his land as he pleased, and in most countries it was not till after the Napoleonic wars that the independent peasant proprietor of to-day began to emerge.² As in the Punjab, the grant of full proprietary rights produced the mortgage, which till then had been rare, and, as land rose in value, more and more money was raised upon it, for, as Sir Frederick Nicholson observes, 'the peasant proprietor cannot refrain from pledging any additional value which the land may acquire'. Of this Prussia is a good instance. A hundred and twenty years ago, before von Stein's reforms, the peasant who occupied without owning his land was unable to mortgage it, and mortgage debt was 'infinitesimal'.³ A hundred years later, as we saw in the first chapter (p. 11), landowners' debt amounted to £377 millions. Even in Switzerland, one of the thriftiest and most educated countries in Europe, an abnormal rise in the value of land led to a great increase in debt.⁴ But perhaps the most striking example of all is the case of the United States. Broadly speaking, there was very little mortgage debt on farms cultivated by their owners before 1875; it then increased to such effect that in 20 years, 1890 to 1910, it more than doubled. In the same period, the value of land also doubled, and it seems that the one led to the other.⁵ It was this that made a well-known American writer say that 'farmers who do not keep accurate accounts and who have not a keen sense of values should avoid the use of credit as they would the plague'.⁶ An interesting point in the American case is that the increase in debt was due less to increased production than to a rise in the standard of living, and the agricultural prosperity that accompanied it was almost entirely the result of a rise in prices.⁷ The parallel to

¹ Nicholson, *op. cit.*, i, 45 *et seq.*

² See Irvine, *op. cit.*, p. 113.

³ Nicholson, *op. cit.*, i, 48.

⁴ *Ibid.*, i, 42.

⁵ Nourse, *op. cit.*, pp. 720-21.

⁶ Carver, *op. cit.*, p. 275.

⁷ Carver, *Selected Readings in Rural Economics*, pp. 939-42.

the Punjab is curiously exact. In the one, as in the other, there was little mortgage debt before 1875, and since then in both countries prices have soared, land has doubled or trebled in value, the standard of living has risen, and debt has greatly increased. No better instance could be given of the close correspondence between all countries, however different or remote, in their rural problems.

The expansion in credit that has followed the rise in the value of land is undoubtedly the main factor in the increase of debt, but the high prices which have led to this rise have also had something to do with it. It is commonly assumed that high prices are good for the cultivator, and the assumption is correct as long as he has more to sell than to buy; but if it is the other way round, he benefits no more than any other class of consumer. In the Punjab the man with 20 or 30 acres will generally have more to sell than to buy, and if his land is secured against drought by canal or well, high prices are an obvious advantage. But where, as in some districts, a man is lucky if he has half a dozen acres to cultivate, they are less a boon than a bane, for it is only in good years that he has much to sell, while in bad years he may have to buy the very grain he eats. As long ago as 1879 a deputy commissioner of Hoshiarpur noticed this contrast. Explaining why the great increase in the value of produce had not enabled the agricultural community to better its position, he remarked: 'Generally the produce raised on a holding is not more than sufficient, if it is ever sufficient, to support the family of the cultivator. It is only the larger owners who cultivate extensive holdings who have a surplus for sale.'¹ Forty years later the same tendency was noticed again in the survey of a Hoshiarpur village. 'The large landowners', we are told, 'have profited a lot by the rise in the prices . . . the small owners have suffered'; and the reason given is that the latter have little to sell and as much as ever to buy.'² Similarly in Ajnala (Amritsar), where holdings are as small

¹ *Punjab Famine Report*, 1879, p. 432.

² Bhalla, *op. cit.*, p. 86.

as in Hoshiarpur, we read that in certain villages of very small holders high prices have been 'more a curse than a blessing', for they hardly ever have any surplus to take to market, while in a bad year they seldom have enough to eat.¹

In this connection Dr. Mann's enquiries in the Deccan are of interest. Examining the results of his survey of two villages in the light of a 50 per cent. rise in prices, he came to two conclusions: firstly, that only those who had plenty of land and who cultivated it themselves benefited by the rise, while upon the village as a whole the effect was bad; and secondly, that the gulf between the solvent and the insolvent tended to widen. In the Deccan at least, he says, 'the evil effects of a rise in prices on the general conditions of the rural population can hardly be gainsaid'.² In the Punjab during the last ten years prices have risen over 50 per cent.,³ and, though the effect of this would appear on the whole to have been good, there is evidence that the gulf between solvent and insolvent is widening. The solvent are certainly more solvent; the best instance of this is the unexampled prosperity of the canal colonies, which, as we have seen (p. 151), is largely due to the effect of high prices; it is also evident in the rapid growth of the agriculturist money-lender described in the last chapter. For the contrary process we have only to refer to the examples given above and to the vast increase of debt. Both in Hoshiarpur and Amritsar, from which our examples were taken, debt has increased during the last ten years by over a crore and a half; and in Jullundur, where the peasant proprietor has less land than almost anywhere else, it has increased by over a crore.⁴ Only in two other districts (Ferozepore and Lahore) has the increase been greater. A point worth

¹ *Ajnala A.R.*, 1913, p. 17.

² *The Bombay Co-operative Quarterly*, March, 1920.

³ According to Professor Myles' figures (see footnote on p. 235) prices in the ten years, 1911-20, rose 58 per cent., compared with prices in the preceding decade.

⁴ The annual net increase in mortgage debt has been calculated as above, and to obtain the total increase mortgage debt has been assumed to be 60 per cent. of the whole (see p. 40).

noting in connection with Jullundur and Hoshiarpur is that, in spite of the heavy increase in debt, the number of those who are not in debt is much higher than in most other districts, amounting in the case of the latter to 30 per cent. Both are prosperous districts, and it looks as if high prices, in increasing the debt of the many, had strengthened the position of the few.

For the smallest holders high prices are probably a curse, as for the large they are clearly a blessing. For the ordinary holder who cultivates ten or twelve acres it is a question whether they are good or bad. The chapter upon the rise in the standard of living suggests that on the whole they are good ; on the other hand, we are faced with the fact that there has been an enormous increase of debt. The combination of the latter with a higher standard of living was noted in the case of America, and there the increase of debt would appear to have been closely connected with the better style of living. In the Punjab the rise in the standard of living is primarily due to the great influx of wealth produced by the spread of the canal combined with high prices ; but, as we have seen, it is the few with plenty of land who have derived the greatest advantage. Many of these have been able to change their whole mode of life, to build pukka houses, clothe themselves in fine raiment, and greatly improve their diet. Now, where men are gregarious and the herd instinct is strong, the general standard of living tends to be set by the prosperous few. In the village, where a few hundred souls live close together half isolated from the rest of the world, this instinct is peculiarly strong, and is seen in the villager's tendency—'*bhedchal*,' as it is called in Punjabi—to follow his neighbours like sheep. A 'want', therefore, that starts as the luxury of the few, is apt sooner or later to become the necessity of the many, and, when the rise in the value of land has made it possible for most to borrow as much as they please, it is generally sooner than later. This tendency was noticed 30 years ago in the cultivators of Gujranwala. Their expenditure and standard of living,

*The Rise in the
Standard
of Living*

says the *Gazetteer* of 1894 (p. 85), 'are based on the income of good years and are not contracted to meet the exigencies of bad. Formerly, in bad years a self-acting law compelled them to live on what was actually produced, as they had no credit to supplement it. Now they find it easier to borrow than to alter their scale of living.' That puts the case in a nutshell, and with the recent fall in prices there is a real danger that the rise in the standard of living may be maintained more by an increase of debt than by an increase in production. Even before the fall there were signs of this, notably in the lavish expenditure upon marriage, which, as we know from a previous chapter, is one of the basic causes of debt.

In the absence of systematic enquiry at different dates, it is impossible to determine with certainty whether expenditure upon a given object has increased or diminished. In the case of marriage we are forced to rely upon general enquiry. My enquiries, which have been made in different parts of the province, tend to show that expenditure has increased and that the increase varies with the increase in debt. In the north, where the latter has been comparatively small, not much more would appear to be spent upon marriage than thirty years ago, perhaps even not as much if the depreciation in the purchasing power of the rupee is considered. Everywhere, too, amongst the more educated there are signs of a desire for economy: the nautch and the firework display are condemned and less is spent upon jewellery. But in the central and more prosperous districts, where the increase in debt has been greatest, the position is dominated by the shortage of women, and more and more is spent upon obtaining a bride, even by those to whom actual purchase is repugnant. During Sikh rule little could be spent for want of means, but with increasing prosperity expenditure rapidly grew, and by 1870 we find the settlement officer of Gujrat noting that 'the prosperity of a district may be safely tested by the expenditure upon occasions of this sort', and he adds that 'the owner of a plough' spends 'not less than Rs. 165' upon

his wedding, and the more substantial cultivator Rs. 545.¹ In Rohtak a girl's marriage in the seventies cost from 100 to 150 rupees, and a boy's from 70 to 100.² In Amritsar it used to be 'common enough' to spend only Rs. 100 on a marriage,³ and even now in the north and south-west of the province not much more than this will be spent by an ordinary cultivator. But in the canal colonies and the central Punjab the cost is rarely less than Rs. 500, and may run into thousands.

A few specific cases will show the change. An ex-inspector of police, who remembers the days of the Sikhs, recalls a small proprietor who, having to raise Rs. 26 for his marriage, sold a cow, and, after borrowing as much as he could from his relatives, was still two rupees short. The inspector's wedding cost his father Rs. 400, but his son's cost him Rs. 3,500. As I write, the son of an old Sikh *kardar* informs me that his father married him in 1873 for Rs. 150. He himself has married four sons and five daughters, the first son in 1892 for Rs. 500, the second ten years later for Rs. 1,000, the third in 1913 for Rs. 1,300, the fourth during the War for Rs. 2,000, and finally the daughter this year for Rs. 5,000. Yet he only inherited 100 acres out of his father's 400. The president of a co-operative union, who was also married in the early seventies, states that on that occasion, though his father was headman of the village, only Rs. 150 was spent upon jewellery, but that when he married his own sons, four in number, in each case he spent Rs. 2,000, *plus* another Rs. 1,000 upon miscellaneous expenses. At his own wedding the jewellery was of silver, but for his sons it was of gold. He had to borrow to meet the cost, and in the end a large slice of land had to be sold to pay off the debt. As a final example we may mention the case of a Government official, who has married thrice. The first time, twenty years ago, it cost him Rs. 1,000; the second time, nine years later, Rs. 3,000; and finally, in 1922, Rs. 4,000. On this occasion the jewellery alone cost Rs. 2,800. To many, even

¹ *Gujrat S.R.*, 1870, pp. 50 and 54.

² *Rohtak S.R.*, 1873-79, p. 64.

³ *Amritsar Gaz.*, 1892, p. 47.

greater than the expense of the jewellery is the price of the bride. In the fifties a Manjha Jat could buy a bride for Rs. 50, and he rarely paid more than Rs. 500;¹ but now he is lucky if he gets one for Rs. 1,000. In other ways, too, expenses have gone up, partly as a result of the higher standard of living and partly owing to high prices, which at a marriage hit the cultivator as hard as anyone else, for then he is more a consumer than a producer. It is not only that ornaments are of gold instead of silver, but the clothes that have to be given are no longer made at home. Formerly, too, a single feast in the evening sufficed, but now there must be breakfast in the morning as well, and amongst the Sikhs the guests may remain for two or three days. In short, it may be confidently stated that few now get married without spending at least a full year's income in the process.

There is one economic factor which must now be discussed, as it is frequently mentioned in connection with debt, and that is the land revenue which is paid upon all land according to its yield. We touched upon this in the first chapter, and observed that it was not an important cause of debt (p. 19). The contrary, however, is so frequently stated that it will be as well briefly to examine the evidence on the subject. For this we have to rely mainly upon the reports of settlement officers, whose business it is from time to time to re-assess the land revenue of the province.

The first point to notice is that under the Sikhs the land revenue demand was far heavier than it is now, but debt was much less. As a rule from 30 to 40 per cent. of the gross produce was taken, and occasionally even 50 per cent. or more.² It was nearly always taken in kind, and though the demand was high it had at least the merit of adjusting itself automatically to the state of the harvest. If fairly administered, as was more often the case than is sometimes supposed, though leaving but little surplus in the hands of the cultivator, the system was not oppressive,

¹ *Lahore S.R.*, 1858, p. 11.

² See the earlier settlement reports, e.g. Prinsep's Report on Sialkot.

and the fact that in the Lahore district there were more wells in the fifties than there are now shows that people found it worth while to sink capital in the land.¹ Much depended upon the individual governor or *kardar*. Many were comparatively mild, and one, Diwan Sawan Mal, who governed Multan for twenty-three years (1821-44), was remembered fifty years later with esteem and affection. Yet even he managed to accumulate a private fortune of over £1,000,000, which is more than the whole land revenue that could possibly have been taken by the British Government during the same period.² If, on the other hand, the governor was a tyrant, like Ude Singh of Kaithal, the position was very different: 'Every man's hand was against his neighbour. Bloody forays were of constant occurrence, and the officers of the Sikh Government found it often to their interest to go shares with the marauders. . . . The cattle went to graze guarded by herdsmen armed with matchlocks, the very wells had to be protected by towers in which the cultivator could take refuge with his implements of husbandry on the occurrence of sudden alarm. . . . Many villages were altogether deserted, the owners taking refuge in large villages which were able to defend themselves both against their rulers and their fellow-subjects.'³ It might be a picture of the trans-border tribes of to-day; actually it is a picture of a district south of Ambala in the forties; and to show that it is not exaggerated we may quote from the report submitted to Government when Kaithal, the area in question, was annexed: 'The State considered all land its own, to be dealt with as it pleased. Cattle at graze were attended by bodies of armed men; forays and bloodshed were frequent and want of security caused the zemindars to plunder in self-defence.'⁴ It can

¹ At the first settlement, 1852-56, there were 10,449; in 1870, 12,364; and in 1916, 9,501. The great extension of canals has led in many districts to a reduction in the number of wells.

² *Multan S.R.*, 1873-80, p. 10.

³ *Kaithal S.R.*, 1888, p. 30.

⁴ Captain Abbott's report of October, 1847, to the Commissioner, Cis-Sutlej States (see *Thanesar S.R.*, p. 32).

easily be imagined that under such a system debt was not likely to grow very fast, and even at its best the system left the cultivator but little surplus for the repayment of a loan.¹

With the annexation of the province came a radical change. The demand was lowered and converted from kind into cash, but it was not at first lowered enough to suit the less elastic system of collections in cash. Consequently, the cultivator was still sometimes in difficulties, and Mr. Thorburn was inclined to think that, when a man was already involved, the want of elasticity, implicit in a cash demand, involved him deeper in debt, but he states definitely that land revenue 'is rarely an original cause of debt'.² Since Mr. Thorburn wrote, the demand has been still further lowered and has become far less rigid than it was. Even when paid in full it does not amount to more than five, or at most six, per cent. of the gross produce, against the 30 or 40 per cent. taken by the Sikhs, and, it may be added, the 17 per cent. taken in Japan;³ and if a harvest fails it is invariably suspended, and if harvest after harvest is bad it is frequently remitted.⁴ 'I never found', says a settlement officer of the seventies, 'a single authentic case of debt caused by the necessity of paying revenue alone, although, of course, this is always put forward as the first reason'.⁵ This, in one form or another, is the burden of nearly all the official reports on the subject. It would be tedious to quote from them at length, but two instances may be given. In 1889, a number of district officers were consulted by Government as to the causes of the

¹ 'The weak point of Sikh rule in the eyes of the agriculturist was that the *kardars* never hesitated to impose arbitrary fines when they found that a man had contrived to save money in spite of the land revenue demand' (*Jhang S.R.*, 1874-80, p. 115).

² *Op cit.*, p. 33.

³ Calvert, p. 198.

⁴ In the Punjab and United Provinces the average annual amount suspended between 1881-86 and 1905-10 rose from 4.08 to 32.86 lakhs, and the average annual amount remitted from 1.98 to 27.79 lakhs (Note by Sir Edward Maclagan, dated 14th November, 1911).

⁵ *Rohtak S.R.*, 1873-79, p. 63.

increase in debt, which was then beginning to excite alarm. They were unanimous that it was not due to any harshness in the land revenue system.¹ Similarly, twenty-five years later, just before the beginning of the War, careful enquiry made in the weakest circle of the Amritsar tehsil 'failed to elicit a single case in which the pressure of the land revenue demand was in any way responsible for indebtedness'.²

From time to time revenue officers have gone so far as to advocate a higher demand, on the ground that it would incite the cultivator to greater effort. 'I have little doubt', writes a settlement officer in 1864, 'that if we kept up the revenue to its full amount, as levied by the Sikhs, the pressure of revenue itself, combined with peace and loss of service, would have compelled an extension of cultivation *greater* even than has now taken place'; and of the effects of reduction the same officer acutely observes: 'At first, for five or ten years, there may be a slight improvement in their condition: they eat a little more and keep a cow. But soon the family extends; the land is again subdivided; and instead of one pauper there are now two as poor as the first used to be.'³ This view is endorsed by the high authority of Mr. B. H. Baden-Powell, who writes: 'Nothing can be more curious than the result of a low assessment. In one large district, where a low assessment was secured for thirty years, the result has been, not that a wealthy class has arisen, but simply that all restraint has vanished and the poor population has multiplied.'⁴ This is a good instance of what has been said more than once, that in this country sooner or later every blessing is neutralized by an increase of population. Whatever else happens, a reduction of land revenue will certainly not reduce debt. 'To reduce the Government demand', says a shrewd observer of the seventies, 'is to put so much more money in the mortgagee's pockets,' and he adds that nowhere is debt greater than in good villages lightly assessed.⁵ Lahore is the

¹ Memo. by the Financial Commissioner, dated 15th August, 1889.

² *Amritsar A.R.*, 1912.

³ *Jhelum S.R.*, 1864, p. 76.

⁴ *Land Systems of British India*, 1882, i, 346.

⁵ *Jhang S.R.*, 1874-79, p. 130.

most lightly assessed district in the province,¹ yet in the last ten years its debt has increased more rapidly than that of any other district except Ferozepore. In Ferozepore itself the assessment is 'extremely lenient'.² In Gurgaon, as we have seen the Ahirs are much less indebted than the thriftless Meos, though they are 'exceptionally heavily assessed' and the Meos are just the contrary.³ The latter, it is said, will exert themselves only under compulsion,⁴ and experience shows that in such cases cultivation is apt to deteriorate with a light assessment. This agrees with the experience of Russia, where the fall in production since the Revolution is attributed *inter alia* to relaxation of the pressure of taxation and debt.⁵

It is clear, then, that land revenue is not a primary cause of debt. This does not mean that it is not often an occasion of borrowing. The annual returns of co-operative societies show that 11 per cent. of the loans made by village banks are on this account;⁶ but this is due less to necessity than to convenience or prudence. The revenue may have to be paid before the crop can be satisfactorily marketed, or a farmer may decide to hold up his crop for a rise in price. Or possibly a man may be so involved that he has to borrow for everything. The author has had occasion to go through nearly all the settlement reports of the last 70 years, and most of the assessment reports of the last 30 years, and only in the case of three tehsils has he found debt connected with land revenue.⁷ When it is remembered that land revenue

¹ *Lahore S.R.*, 1916.

² *Ferozepore S.R.*, 1916, p. 14.

³ *Gurgaon Gaz.*, 1910, p. 102.

⁴ *Gurgaon S.R.*, 1909, p. 13.

⁵ 'Quite apart from the decay of the transport system, the pressure formerly exerted upon the Russian peasant by taxation and by his indebtedness no longer exists, and without it the peasant has little reason for exerting himself particularly (Professor Max Sering, in the *Manchester Guardian*, 'Commercial Reconstruction in Europe,' 17th August, 1922).

⁶ *Co-operative Societies' Report*, 1923, p. 23.

⁷ viz. Pasrur (Sialkot), Gujar Khan (Rawalpindi), and Ferozepore. In Pasrur it is said to be difficult to pay land revenue in bad years, and it is reported to be a cause of debt in the riverain area of the Ferozepore tehsil. The Gujar Khan report is twenty years old; conditions have probably changed since then.

averages only Re. 1-11-0 per cultivated acre against Rs. 31 in the case of debt, and that in interest alone the cultivator has every year to pay nearly three times the whole land revenue of the province,¹ the only ground for surprise is that anyone should ever have considered it a serious cause of debt.

We have now examined all the causes of debt, and for the sake of clearness we may summarize our conclusions as follows: There are four main reasons why the peasant proprietor is obliged to borrow:—

*The Causes
of Debt
Summarized*

1. The small size of his holding and the way it is split up, conditions which make it almost impossible for him to live without getting into debt, unless he is exceptionally frugal and industrious, or has some extraneous source of income;

2. His constantly recurring losses of cattle from drought and disease;

3. His ingrained improvidence, the effects of which are greatly aggravated by insecurity of crop; and,

4. His extravagant expenditure upon marriage and other domestic ceremonies.

In addition there are two causes that make borrowing easy, namely:—

1. The money-lender and his vicious system of business; and,

2. The great expansion of credit due to high prices and the inflated value of land.

The first four causes explain why the peasant proprietor *must* borrow, the last two how he *can* borrow, and it is the combination of 'must' and 'can' that explains the great increase of debt in the last fifty years. Or, expressing it differently, we may say that the first four causes explain the *existence* of debt, the money-lender and his system its *continuance*, and the expansion of credit its *volume*.

Two minor points must also be noted: litigation, though a serious factor in certain districts, is not a major cause of

¹ See p. 19.

debt; and land revenue, though often a cause of borrowing, is rarely a cause of indebtedness.

Now let us try and summarize the effect of these causes upon the different parts of the province. The best way to

Debt in the Canal Colonies do this is to give the results for each of our six circles. These may be tabulated as follows:—

Area (No. of districts concerned in brackets)		Debt's multiple of land revenue	Debt per cultivated acre	Debt per head of the rural population ¹
			Rs.	Rs.
Submontane	(4) ..	24	53	51
Central	(7) ..	22	36	51
North	(3) ..	13	12	20
South	(4) ..	15	15	31
West	(4) ..	15	20	34
Canal Colonies	(4) ..	2	5	9
Punjab	(29) ¹ ..	19	31	49

The most striking feature of these figures is the lightness of debt in the canal colony districts. At first sight this would seem flatly to contradict the general principle laid down in this chapter, that prosperity and debt go hand in hand. The inconsistency is more apparent than real, and has already been briefly explained in connection with Gujranwala (p. 83). It was said then that the immediate effect of the opening of a new canal was to reduce debt, and in the light of our further experience we may add that in a canal colony indebtedness is of little account for at least a generation. Those who were poor find themselves prosperous, and those who were prosperous find themselves rich. Large areas are reclaimed, production is increased, and with compact holdings, regular harvests and high prices, enormous profits are made. The ultimate effect, however, is likely to be different. With an improvident and almost wholly illiterate peasantry, wealth, as we shall see in a moment, is

¹ In the detailed figures given above three districts have been omitted, viz. the hill districts of Simla and Kangra, because their conditions are peculiar, and the district of Jhang because it belongs partly to the canal colonies and partly to the west.

quickly dissipated, and what remains has to be divided amongst a larger population. In 1891 the whole population of the Lyallpur Colony was 65,000; twenty years later it was 1,105,997, of whom over half a million were born in or near the colony.¹ It is profoundly significant that in the last ten years debt in the Lyallpur district has increased by nearly 1½ crores. This can be no mere coincidence, and it may be prophesied that, if present conditions persist, the canal colony districts will eventually become as indebted as any other part of the province.

Comparing the remaining areas with each other, we see that debt is lowest in the poor but hardy north, and highest in the comparatively prosperous districts of the central and submontane Punjab, which virtually form a single area. In the south and west conditions are dominated by the insecurity of the harvest, a factor only less important than prosperity. This will be clearer if six prosperous districts are compared with six that are insecure, thus:—

	Debt's multiple of land revenue
<i>Prosperous</i> —Lahore, Amritsar, Ferozepore, Jullundur, Hoshiarpur and Ludhiana ..	25
<i>Insecure</i> —Attock, Mianwali, Muzaffargarh, Dera Ghazi Khan, Hissar and Gurgaon ..	20

There is not much to choose between the two groups. If debt is lower in the insecure districts, it is because insecurity, while obliging a man to borrow, limits the amount that can be borrowed. This was explained above (p. 100). On the other hand, with prosperity the necessity to borrow may be less, but the opportunity is greater, and 'wants' are as much dictated by the one as the other. Thus extremes meet. On the one side debt is high because the lack of irrigation and rain places the cultivator at the mercy of nature; on the other side, where harvests are secured by canal and well, debt is even higher owing to the prosperity that follows. It is a vicious circle from which some issue must be found, but before this can be attempted the effects of prosperity must be briefly examined.

¹ *Chenab Colony S.R.*, 1915, p. 35.

In these days of material ends it is considered almost eccentric to question the benefit of a material good. Critics of the British Government love to dwell upon the poverty of the country, and there is nothing that they are more reluctant to admit than the possibility of its being comparatively prosperous, fearing, no doubt, that such an admission would imply that Government was virtuous and wise. They have less reason to fear than they suppose, for prosperity is not necessarily good, as some nations have found to their cost. Whether it is good or bad depends upon its effects, which vary from country to country. In the Punjab prosperity, on its purely material side, has undoubtedly been good. This is clear from the rise in the standard of living, which is all to the advantage of the country. So far, however, as character is concerned, the question is more difficult to answer, as there are no mathematical tests by which character can be judged. We are forced, therefore, to rely upon the experience of those who know the cultivator best. In questioning them I have been surprised to find, with few exceptions, almost general agreement that, though the standard of comfort is higher, the general effect of prosperity is bad. In my own opinion this view requires qualification, and the best way to show this is to compare what are probably the two most prosperous districts in the province, Ferozepore and Lyallpur. Both have already been described, and it will be remembered that in both poverty has been followed by wealth, but, whereas in Lyallpur this has been due largely to endurance and effort, in Ferozepore it has come unsought like the shower of gold into Danaë's lap. In the Lyallpur Colony 2½ million acres have been reclaimed by a picked body of men, who had to face all the hardships of the desolate *Bar* ; on the other hand, in Ferozepore cultivation has only been slightly extended.¹

The result is what might be expected. Ferozepore recalls the spendthrift who dissipates a fortune that he has done little to acquire ; Lyallpur, the self-made man who has acquired his wealth too laboriously to throw it recklessly away.

¹ See p. 53.

In Ferozepore drink, dissipation and gambling, litigation, bribery and extravagance are all rampant, and nowhere is more spent upon marriage. Hence a vast increase of debt, which in the last ten years is probably as much as three crores. In Lyallpur, on the other hand, debt has increased by less than half this amount, and there is every reason to believe that a substantial portion of it is due to the acquisition of proprietary rights and to agricultural development. In Ferozepore there is hardly a sign of the latter,¹ but in Lyallpur there is more of this than anywhere else in the province. In Ferozepore, too, education hardly exists, but in Lyallpur it is everywhere in demand, and in one or two areas, with the consent of the people, it has been made compulsory. The difference is vital. Without education prosperity demoralizes, but with it a new and better order of things may be started. Even in Lyallpur the great wealth that poured into the colony at the end of the War threatened at one time to become a demoralizing influence.²

The districts of Ferozepore and Lyallpur are typical of the influence of prosperity in the Punjab. In so far as it springs from effort and leads to education it is good; but in so far as it comes as a windfall to men who are too uneducated to apply it to their advantage, it is a disaster. Lyallpur on the whole is a case of the former, and Ferozepore a clear case of the latter. What of the rest of the province? In the wealthy districts of Sheikhupura and Lahore³ conditions resemble Ferozepore. The Manjha, to which most of Lahore belongs, has long been notorious for the boldness and variety of its crime. The advent of the canal, in 1896, only made things worse.⁴ Holdings are large, and for the most part in the hands of owners who are too lazy to cultivate them

¹ There are 'no new varieties of crops or selected seed; improved agricultural implements are practically unknown' (*Ferozepore Gaz.*, p. 161).

² e.g. the value of the liquor sold in licensed shops on the Jhang branch was four times as great in 1919-20 as in 1913-14 (*Jhang Branch S.R.*, p. 7).

³ In 1916 Sir Michael O'Dwyer wrote of the material prosperity of the Lahore district, 'No part of the province can show more marked improvement in the present generation' (*Lahore S.R.*, 1916, p. 1).

⁴ 'The prosperity due to canal irrigation has had a bad effect on his (the cultivator's) character' (*Kasur A.R.*, 1913, p. 17).

themselves. The few who farm make large fortunes. Two brothers, for instance, who owned 150⁶/₁₀ acres, recently asserted in court that they had Rs. 70,000 in cash, a statement which their neighbours corroborated. Throughout the tract drink and crime are the rule, matricide and parricide not uncommon, and female infanticide far from rare. The demoralization of the people is complete, and the adjoining district of Sheikhpura threatens to follow the same primrose path. In Montgomery, which also marches with Lahore, the first effect of the new colony has been to corrupt the aboriginal Jangli. On the other hand, in the much older colony of Shahpur, though cattle-thieving is better organized than ever and bribery has greatly increased, prosperity on the whole seems to have done more good than harm, and, as in Lyallpur, is accompanied by a keen desire for education. In the older districts of the central Punjab the balance of good and evil is more difficult to determine. An American writer points out that an increase in agricultural indebtedness is a sign of prosperity only if it goes with an increase in production. 'It is essential', he says, 'not only to the welfare of society in general, but also to the security of the farmer himself, that an increase in the returns from agriculture shall have resulted mainly from an increased production rather than from high prices.'¹ In the Punjab we have a combination of both. In the last thirty years cultivation has increased by 15 per cent. and prices have risen by over 100 per cent.² The serious factor in the situation is that debt has risen by 300 per cent. No doubt some part of this increase is due to productive expenditure. For example, in a district like Amritsar, where 175,000 acres of colony land are owned, large sums must have been raised to break up and cultivate the virgin soil of the *Bar*. In Jullundur and Sialkot a large number of wells have been sunk, and there are now in the Punjab over 23,000 more masonry wells than there were

¹ Nourse, op. cit., p. 722.

² The average sown area for the five years ending 1900-01 and 1922-23 respectively was 24.07 and 27.67 million acres, which gives an increase of slightly less than 15 per cent. Figures for the sown area are available only for the last 27 years.

twenty years ago, representing, at Rs. 500 per well, a capital outlay of over a crore. Throughout the central Punjab, too, land has been freely mortgaged by those who wanted the means to emigrate to Africa, America and the Far East. But even if all these factors are discounted, the bulk of the fifty crores that have been added to the debt of the province represents at best a sheer waste of valuable resources, and at worst the spread of demoralizing influences. In certain tracts we are reminded of Tolstoy's fable—'How the Little Devil Atoned for the Crust of Bread'. As long as the peasant was poor the devil could do nothing with him; in despair he taught him how to get rich, and at once all difficulty ceased. Explaining the process to a colleague, the devil said with modest pride: 'I merely made the peasant grow too much corn. That was all. You see the right stuff (that is to say the blood of wild beasts) was in him already . . . only it had no outlet so long as he grew corn merely for food . . . but he had no sooner come to possess a surplus of grain than he came also to cast about how to divert himself. Then I stepped in and taught him a new diversion—namely, drinking. . . . And now that he has once tasted liquor, he will remain a beast for ever.' The fable might almost have been written of Ferozepore and the Manjha; and elsewhere, too, the position would be serious, but for the new spirit awakened by the War, which is seen at its best in the growing desire for education and the rapid spread of co-operation.

Our conclusion, therefore, is that the prosperity of to-day has been too easily won, and a great part of the wealth that has accrued has been thrown away upon unproductive, not to say unworthy, ends. Meanwhile, the standard of living has risen and population is growing. The danger is that, if this waste continues, the one will clash with the other. The moral is obvious: education is necessary, but not simply the education of the school, though this is of vital importance, but the wider education of co-operation involved in the ideal of 'better farming, better business, and better living'. Otherwise prosperity, instead of becoming the foundation of a new civilization, may simply result in dissolving the old.

CHAPTER XII

CO-OPERATION

IN one of his novels Tolstoy, commenting upon the influence of the West upon Russia, observes that the rapid development of credit, communications and industries had been as bad for the country as the over-development of a single organ would be for an animal, since it had thrown 'into the background the chief question calling for settlement—the question of the organization of agriculture'.¹ The same might be said of the economic development of India in the last century. There was an almost feverish desire (not willingly recognized by the modern politician) to mitigate the poverty of the people and to introduce all the material blessings of the highly industrialized West. But it was an individualistic age, in which the spoils fell to the astute and the strong rather than to the simple and the weak; and, as a result of the spread of the industrial system, prosperity was viewed more from the standpoint of the town than from that of the village. The rapid growth of large urban centres, like Calcutta and Bombay, was regarded with pride, and everything was done to foster their development. The construction of rail and road encouraged the process, and the very educational system was adapted more to those who lived by the pen than to those who lived by the plough. A new *intelligentsia* arose, as urban in outlook as it was in origin, and, as Government recruited nearly all its officials from their ranks, the whole administration unconsciously assumed an urban complexion. In the Punjab the development of the canal system did something to redress the balance, but the villager's ignorance and improvidence robbed the boon of half its advantage, and with the decay of the village community and the establishment of a complicated system of justice, administered by 'town-bred men of the

¹ *Anna Karenina*, vol. ii, p. 4 (tr. C. Garnett).

desk', the peasant suddenly found himself at the mercy of money-lender, lawyer, and trader. The first tempted him to borrow, the second to quarrel, and the third to waste. Consequently, the wealth, which rising prices and increasing production brought to the village, was sucked back into the town before it had time to fertilize the soil. By 1890 it began to be realized with dismay and astonishment that instead of becoming richer the cultivator was in danger of becoming poorer, as his land was rapidly passing into the hands of the money-lender. In the Punjab the Land Alienation Act was passed to remedy the evil; but men cannot be saved by Act of Parliament alone, and something else was needed to free the cultivator from his bondage and to replace the village community which had partially protected him in the past. Providentially it was about this time (1896) that Sir Frederick Nicholson's classic report on co-operation appeared. 'Find Raiffeisen',¹ he said, and the situation would be saved. As a result of this report, here and there a 'sun-dried bureaucrat'—the politicians of the day did nothing—began to experiment with village banks, and, thanks to their enthusiasm and to the sagacity of Sir Denzil Ibbetson and Lord Curzon, the first Co-operative Societies Act was passed in 1904. In the Punjab the peasant of to-day regards the Land Alienation Act as the Magna Carta of his freedom, but his descendant is more likely to give the title to the Act which, more than any other, has made progress possible to the village.

Though much has been written on the subject of co-operation in India, some description of what has been achieved in the Punjab is necessary to our purpose, for without it the picture that we have attempted to draw of the economic condition of the province would not be complete. 'Our object', says Mr. Calvert, in his last co-operative report, 'is to examine the whole economic structure of the province, to study the defects which retard economic progress, and to discover the factors which contribute to the comparatively low standard of prosperity; and then to devise schemes whereby the people can

*The Co-operative
Organization*

¹ The founder of rural co-operation in Germany.

remedy these deficiencies and remove these factors by organizing for self-help and mutual help.¹ Co-operation has, in fact, set itself to solve the very problems that we have been considering throughout this book.

The primary object of co-operation in India was to free the cultivator from the vicious system of credit described in Chapter X, and its ultimate object is to bring civilization, in the truest sense of the word, within reach of the village. 'The basic assumption on which we work', says Mr. Calvert in the same report (p. 6), 'is that the rural masses can be lifted on to a higher plain of wealth and culture; that "the poor illiterate peasant," need be neither poor nor illiterate, that "the stupid cultivator" will respond to efforts to make him intelligent; and that, in short, the future of this province depends upon the measure in which the mass of the people can be taught to understand the influences that mould their lives.' In the chapter on agricultural progress we saw that little can be done without organization, and that, if this was true of other countries, it is doubly true of India, where the forces arrayed against the cultivator are overwhelmingly strong. Thanks to organization, twenty years of effort have produced over 56,000 co-operative societies in India, of which nearly 10,000, with a membership of a quarter of a million, are to be found in the Punjab alone.² Again and again in the course of this book we have caught glimpses of the beneficent and stimulating influence of these societies upon the life of the people. In hundreds of villages the money-lender's ascendancy has been definitely broken, and in many the members of the local village bank owe him nothing at all. To such men co-operation has meant little less than a revolution; not the kind that ends in licence, bloodshed and chaos, but the kind that develops energy, straight-dealing and self-reliance; and pleasanter things, too, as in the case of the man who, unable owing to his poverty to get a wife, joined a village society and at once received several offers of marriage.

¹ *Punjab Co-operative Societies' Report*, 1923, p. 5.

² On the 31st July, 1923, there were 51,810 in British India, and on the 29th February, 1924, 9,978 in the Punjab. ^o

How has this been achieved? It is a long story, which will be cut short with two instances which are typical of the difficulties that had at first to be overcome. In 1916 a meeting was held in a remote upland village in the hills, to explain what co-operation meant. Within ten miles there was neither hospital, school, nor post office. But there were plenty of money-lenders, some of them, to judge by their faces, veritable Shylocks. No one had the least idea what a village bank was—some dodge, they thought, of the *Sirkar*¹ to get their land and money. One man kept asking what share Government got out of the profits? It took half an hour to persuade him that it got nothing. There was not the least doubt that a bank would be a boon to the neighbourhood, but few could see this. One local notable, a Brahmin, understood. He came ten miles to attend the meeting, and was all for starting a society. Another, too, saw its possibilities, but was too timid to do anything. It was whispered that the money-lenders had got hold of him. Here, in miniature, were the elements out of which the 9,000 village banks of the Punjab have arisen—two intelligent men, one public-spirited as well as intelligent, and the other half paralysed by timidity, while the large majority were blinded by ignorance, suspicion and fear. It is from these paralysing influences that the peasant has to be set free before a society can be started, and it is in this that those who are educated can help those who are not. It is a regrettable fact that, though there are brilliant exceptions, especially in Bombay, the educated as a class have so far shown little inclination to help. Yet there is no better way to win the cultivator. One of the pleasantest experiences the writer ever had was when he returned to a village a year after a bank had been started there. Originally opposed to it, the whole village came out to meet him, and, in the delightful manner of the East, filled the air with the joyful expression of their gratitude. In another village close by, where the people had been so improvident that the very money-lenders would no longer

¹ Government.

lend to them, an almost model bank was found, with everyone working twice as hard as before. 'Once a society is started, with good management and careful control it is almost certain to do well, for, thanks to the old village system, peasants in India are accustomed to act together, and will follow leaders they trust like sheep.

The second illustration of the difficulties of organization relates to a small town in one of those uncomfortable districts that are officially described as 'arid'. Many of the people were poor, and the money-lender was strong. The few banks that official zeal had contrived to set going were ailing for want of money. The only way to obtain it was to start a central bank that would draw deposits from the town and distribute them to the village banks. The usual preliminary meeting was held with the usual enthusiasm. Without doubt, they said, there must be a central bank, and it must be a fine large bank that everybody would talk about, with at least 1,500 shares and a capital of a lakh and a half. With difficulty they were got to agree to a much smaller affair. A month later there was another meeting, at which everyone was to announce how many shares he would take. Many enthusiasts of the first meeting were now conspicuous by their absence. Two public-spirited gentlemen, however, announced that they would take the maximum number of shares. There was then an ominous pause. A leading notable was asked how many he would take. 'First ask Kishen Singh', he replied, pointing to a neighbour. Kishen Singh was, of course, in favour of the bank, but who was he that he should speak first amongst his fellows?—'nay, rather ask Allah Ditta'. Allah Ditta said he would take shares if everyone took them. And so said the four leading village headmen who were present. 'We will take shares in the Sahib's bank if all the village headmen of the district are made to take shares.' It was explained that it was not the Sahib's bank, but their own. 'Great is the kindness of the Sahib', they replied, still, however, hanging back. An appeal was then made to the Bar. 'We are poor men', they protested, 'and our expenses are great. Moreover, by lending

in the city we can get nine or ten per cent. on our money.' With difficulty they were persuaded to take two shares each. The 500 shares to which the original proposal had been cut down were eventually sold, but to achieve this took three months of sustained effort and of methods that were not perhaps strictly co-operative.

The points to note in this case are: firstly, the initial enthusiasm, turning at the first demand for practical support into tepid indifference; secondly, the wide-spread fear that money once given would be for ever lost; and, thirdly, the apathy of the more educated. Lastly, without an obstinate Government official to hold everyone to his promise, the bank could hardly have been formed. Yet it has already done immense good. Where there were barely half a dozen village banks there are now, eight years later, 150, and their members save Rs. 75,000 a year in lower interest charges. Moreover, the once unwilling shareholders have received a steady seven per cent. on their money. A final point to notice, and it is as important as any of the others, is the public spirit of the two gentlemen who each took the maximum number of shares. Neither had been at a university, as all the members of the Bar had, and one was actually a money-lender by caste, and had, therefore, everything to lose by a central bank.

It was some years before the initial difficulty of grafting a new and wholly foreign idea into the aged wood of India's economic life could be overcome. Now, *Bad Societies and their Defects* however, all over India societies are multiplying fast. In the Punjab alone the last five years have seen an increase of over 5,000. There are, of course, tares amongst the wheat, and at one time, ten years ago, they threatened to choke it altogether. Some areas (not in the Punjab) are still in danger, and in one district in another province, where 130 societies were recently in liquidation, liabilities were so formidable that the fullest use of official pressure was unable to extract more than 30 per cent. of the amount due, and the 4,000 defaulting members were so broken in spirit that 40 per cent. of them left their villages to seek their fortunes elsewhere, and half the

remainder gave up the cultivation of their lands in despair, preferring to pocket a rent which they could conceal to growing crops that might be attached. *Arruptio optimi pessima*—so much so, indeed, that co-operation now stinks in the nostrils of the whole district. The case is, of course, exceptional, but it is a warning of the limitations of co-operation in a country where people are improvident and unbusinesslike, and where the climate easily deadens effort. These societies were started in haste; the official control which is essential in backward countries was not sufficiently close; the local co-operative central bank, thinking only of its dividends, poured out its loans, and the money obtained without effort was spent without thought, and some of it was even embezzled.

But to return to the Punjab. Here, too, there have been plenty of black sheep. A typical case is a society of ten Gujars, half herdsman, half farmers, who in as many years accumulated a capital of Rs. 30,000, a very creditable performance it seemed, till it was found to be almost entirely a paper transaction. An examination of the books showed that, while the president and his family had paid in Rs. 12,000 for their shares, they had borrowed Rs. 18,000 for themselves. In greater or less degree everyone did the same, borrowing from the bank to pay their shares, so that it was a question whether any of the share payments had ever been made at all. The interest account was little better. Rs. 2,000 were in arrears, or an average of Rs. 200 per member. But the worst feature was the way the poorer members were encouraged to borrow, in order that, when they could not repay, the president might step in and buy their lands, in return for which he paid their debts. This society, which an inspector described as 'an Eugean stable', has now been wound up.

The next case, a society of twelve Rajputs, is almost worse. After six years of co-operation its members owe Rs. 900 a head, a large sum in a country as poor as India. The president and treasurer alone owe Rs. 3,750, and, while the total net annual income of the twelve members is estimated at Rs. 1,050,

the interest due every year from them amounts to Rs. 900. The members are, in fact, jointly and severally bankrupt. By cheapening ~~instead~~ of improving their credit, the society has merely snatched them out of the money-lender's frying-pan to pitch them into the fire of reckless extravagance.

These three examples illustrate most of the difficulties that co-operation has had to contend with in India: careless loans, heavy arrears of interest, selfish committees, fictitious payments, dissension, occasional dishonesty, and a general apathy about repayment. The last is the greatest stumbling-block of all, and is due to the vicious economic system that co-operation is slowly but surely replacing. The village money-lender rarely wants his principal back. Looking upon the cultivator as a cow that is kept to be milked, he is content with an occasional pailful of exorbitant interest; he would be almost resentful if a loan were repaid in full, as it would mean one client the less, and incidentally involve him in the trouble of finding a new outlet for his capital. The cultivator has, therefore, to be educated to repay, and it is no easy matter to change the habit of generations. Nor is he lacking in excuses. There is, for instance, the excuse plausible: 'I became as dust to dust in the labour I took to get money'; or the excuse reproachful: 'You have got us by the ear, but are we not the *Sirkar's* children and is not the *Sirkar* our father and our mother? It has given us the bank, and will it now torment us? Two harvests have there been and not a straw came forth. One the rains destroyed, and upon the other a plague of hailstones fell. But for the spring harvest there is not a field unsown. Have patience, and rich repayments will we make. Aye, for the love of God, have patience till then.' This appeal, which was once made by a set of rogues, is difficult to resist. A sterner man than the writer once resisted it in an individual case, and on returning next year found that repayment had been made. Remembering the violent protestations of his former visit, he asked how it was done. 'O,' they said, 'he sold a daughter.' Actually, of course, payment is never pressed for where there is genuine inability to repay, and the condition of the harvest is always

the determining factor. But sometimes remonstrance is necessary, when, for instance, in a bad harvest, a large loan has been taken for a marriage. The Punjabi, however, is always ready with his reply: 'If we do not raise up issue we are as the unclean,' or 'The maid's father pressed a finger to my throat and compelled me.'

There are few better ways of getting a glimpse of the peculiar difficulties of the peasant's life in India than to ques-

*The Peasant's
Difficulties*

tion the defaulters of a village bank as to why they do not repay. The variety of the reasons given is astonishing. Let us take three societies at random. In the first there were only six defaulters. One had not repaid because he was engaged in a quarrel about some land with the village headman, who was president of the bank. Another had a prodigal son, who was wasting his substance; a third had gone off to Basra; a fourth had been shot through the face in the War and had taken to idle ways; the fifth was going to pieces; and the sixth had had bad luck with his harvest. The next society was worse—it had ten defaulters. The first had lost all his cattle and been forced to go out as a cooly; the second was in difficulties over a lease taken at too high a rent; the third had cleared off a debt to the local money-lender and had nothing left for the bank. The fourth was a minor, the fifth had too large a family, while the sixth was always down with fever. The seventh, after working in Baluchistan on a railway, had returned with an empty pocket owing to a cheating contractor. The eighth had gone mad and was in an asylum; the ninth had lost half a dozen members of his family from plague, and had cheered himself up by spending Rs. 1,000 upon marrying two of the survivors. Finally, the tenth admitted frankly that he had been completely idle for two years. In the third society much the same tales were repeated with variations. Hakim, an Arain, after losing two sons had gone blind; Ghulam Nabi had had to sell cattle to pay off his dead father's debts; Ali Muhammad had separated from his wife—'her eyes are no longer beautiful in his sight,' explained a member slyly—and, having no one to bring him his breakfast in the fields, found

farming too much of a bother and took to working as a labourer. Mehar Ali, on the other hand, had spent all his available cash, Rs. 100, in setting up a second plough with its accompanying yoke of oxen. For Budha there was nothing to be said: persistent litigation had almost reduced him to bankruptcy. Nor was there much excuse for the secretary, who had spent Rs. 1,500, or thirty times his land revenue, in marrying a son. The last case of all recalls the misfortunes of Job. The influenza epidemic at the end of the War carried off ten members of the defaulter's family, and in 2½ years there were five or six outbreaks of cattle disease which killed 35 out of his 50 cattle.

This catalogue shows clearly enough the importance of organization in India. The difficulties of life are too great to be overcome without it. Disease, improvidence and debt make progress almost impossible, and by himself the individual cannot hope to overcome them. But organization is easier said than done, for the peasant is illiterate and entirely ignorant of business method and principle. A single instance will show what is meant. The society in question is in many ways remarkable, and was at one time one of the finest village societies in India. Starting fifteen years ago in the usual way, with two or three hundred rupees to lend to its members, its capital rose in a few years to three lakhs. The village was not a large one; but its president, a self-educated man, inspired such confidence that the whole neighbourhood began to deposit money with the society. Other village banks borrowed from it, and eventually it was dealing with 100 societies, scattered over half the Punjab. In 1913, when one joint-stock bank after another collapsed, it remained unshaken. There was, indeed, no village society in the Punjab whose credit stood higher. Yet seven years ago, when it came under audit, its balance was found to be Rs. 12,000 short. On the other hand, a fine well-built house had risen in the village, of so pleasant a design that for a moment it was a temptation to make no further enquiries. What had happened was this. The president, thinking that the head of so flourishing a bank should have a

*Ignorance of
Business*

suitable residence, decided to build one, and, as the society always had more money than it could use, there was no difficulty about funds. Unfortunately, no one was formally consulted. A belated attempt was made to rectify this after the audit, but unhappily half a blank page early in the proceedings book proved a temptation, and the resolution of 1917 was entered amongst the resolutions of 1914, and antedated accordingly. This naïve bit of camouflage was, of course, detected at once. The last straw was the president's entire ignorance of what had been spent upon the house. There was no entry in the society's accounts, and the only person who knew was the contractor who had built the house. That accounted for Rs. 5,000. There still remained a deficit of Rs. 7,000. This, it transpired, had been lent three years before to the manager of another society some distance away, and it was not till the auditor suddenly appeared that its repayment was entered in the books. Actually not a penny was repaid, but a promissory note was given instead, as the manager was quite unable to repay so large a sum. A pretty kettle of fish, it must be admitted, and one that in the West would have ended in the dock. But in India things are different. The Indian peasant (and sometimes, too, his more educated brother in the town) is a child at finance, and has all the timid child's disposition to meet discovery with deception. In the case of the house, the misappropriation and forgery were too palpable to be really criminal. The other affair, so far as the president was concerned, was simply a thoroughly bad muddle, due to the neglect of the most elementary rules of business. In any case the whole neighbourhood acquitted him of all dishonest intention, and the deficit was at once made good to the last anna. That the president was not lacking in capacity is shown by the fact that during the first ten years of his presidency the society earned for its fifty shareholders a profit of more than Rs. 20,000.

The case, however, shows that capacity alone is not sufficient, and that where large sums are concerned there must be business training as well and, in addition, a considerable

measure of control. This, indeed, is the lesson of all the cases described above. In many parts of India the movement was allowed to grow up too fast and under inadequate control. Societies were started without proper teaching; their committees helped themselves to the lion's share of the available money; advances were made regardless of object, and cheap rather than good credit was the order of the day. In all these respects there has been striking change in the last few years, and the tares that spring up all too readily in a hot climate are being diligently uprooted, with the result that a surprisingly good crop has begun to appear. How good this crop can be must now be shown.

As before, let us proceed by concrete example. Our first illustration is a society of 163 members, embracing no less than 20 different castes. Usually a village bank contains only a score or two of members, all, or nearly all, of a single caste, for different castes intermingle with difficulty; but in this case we find high and low, Pathan and tanner, Rajput and sweeper side by side. It is, therefore, sufficiently democratic even for this age. A hundred members are small tenants, who, before the society was started, had little or no security to offer and could only get a loan at exorbitant rates. But now, like everyone else, they can borrow from the society at 12½ per cent. In the West this rate may smack of the usurer, but it is only half of what had to be paid before, and means a saving of over Rs. 1,500 a year. As so often happens, the genius of the society is the president, Khan Sahib Yakinuddin Khan, who owns the whole village and belongs to that rare type in India, the country gentleman who seeks to improve his surroundings and help his neighbours. Such men are the pillars of co-operation in every country.

The next example is even more striking. The society, which is in the Lyallpur Colony, was one of the first to be started in the Punjab. Founded with ten members, it now contains 276. Eighteen different castes are represented, including Rajput, Khatri and Jat at the top, and the humble sweeper and waterman at the bottom. In 17 years it has

advanced 19 lakhs (£125,000) to its members, and throughout this period proceedings have never had to be taken against a single member for default; still less has anyone had to be expelled. A share capital and reserve of nearly Rs. 50,000 have been accumulated, and about two lakhs have been deposited by members in addition to Rs. 45,000 received from others. In 1922 a lakh was advanced for the purchase of land, liquidation of debts, replacement of cattle, payment of land revenue, redemption of mortgages, house-building and marriages, and of this amount Rs. 80,000 was repaid within the year. Instead of the 18 per cent. or more charged by the ordinary money-lender, only 9½ per cent. is charged by the bank, and in a sense this is a payment made by the members to themselves. The management is honorary, and has been so economical that in 17 years the total expenditure on contingencies amounts to less than Rs. 100. The writer has seen several remarkable village banks in Ireland and Germany, but few that could claim to have done more useful work or to be more efficiently managed. For this the president, Sirdar Sahib Sardar Dalip Singh, deserves the chief credit.

The primary object of co-operation in India was to oust the money-lender and reduce the burden of debt. Our third example is a good illustration of what has been done in this respect. In ten years 76 *Reduction of Debt* Jats, with perhaps an average income of four or five hundred rupees each, accumulated over Rs. 20,000 in shares and undistributed profit, and paid off Rs. 12,000 of debt. Eighty-eight acres have also been redeemed, bought or taken in mortgage, and six wells have been sunk and seven more converted into tube wells. Now the society is entirely self-supporting, and when its members borrow it is their own money that they take.

But one swallow does not make a summer. Let us, therefore, take a large number of societies that have completed ten years. Figures are, fortunately, available for 1,559 village banks containing 55,000 members. Eighty-nine lakhs (£600,000) of debt have been repaid, 20,000 acres

have been redeemed, 15,500 taken in mortgage for 34 lakhs, and 13,700 purchased for 32 lakhs. Forty-one lakhs have been accumulated in shares and undistributed profit, and 33 per cent. of the members (18,000) are entirely free of debt.¹ In other words, liabilities have been reduced by 89 lakhs and assets increased by over a crore. The former represents an average reduction of Rs. 162 per member. As there are 210,000 members in the Punjab, it should be possible to reduce debt by nearly three and a half crores in ten years. This, perhaps, is not much to set off against the increase of 30 crores in the last decade,² but at least it shows that a remedy has been found by which the rising tide of debt can be stemmed.

The initial evil, however, that co-operation had to meet in India was not so much debt as credit. As we saw in the last chapter, the acquisition of proprietary rights, the inflated value of land, and the general prosperity of the country made credit dangerously easy. Now as a servant credit can turn sand into gold, but as a master it will turn gold into sand; which is exactly what has happened in the Punjab. In the last 30 years a huge fortune has been dissipated and debt has increased by 50 crores. The magic of co-operation lies in the fact that it substitutes for the money-lender's demoralizing system an organization under which credit is controlled and debt restricted. The money-lender, provided credit is good, rarely enquires the purpose of a loan, and, as he is dealing with a careless, improvident class, is obliged to guard against loss by a high rate of interest. On the other hand, the village bank will (or should) only advance money if it is satisfied that it is either for a necessity or for a productive purpose; and it can afford to charge a much lower rate of interest, as the risk of loss is much less when loans are not indiscriminately given; a defaulter, too, can be subjected to the pressure of neighbours who will be losers if he does not repay. Another and most important difference between the two systems is that the money-lender, considering his own advantage alone, is far

¹ *Co-operative Societies' Report*, 1923, p. 27.

² See p. 238.

from straight in his dealing and invariably charges compound interest. We know what a burden this imposes,¹ and, though most village banks charge 12½ per cent., this is probably less than half of what is charged first and last by the money-lender. It is not surprising, therefore, that as soon as a man joins a society he finds himself able to start reducing his debt. In this connection, however, it must be remembered that it is not the object of co-operation to reduce debt so much as to replace unproductive debt by productive, and to provide the cultivator with a sound, well-controlled system of credit which will be as inimical to waste as it should be favourable to development.

So much for the direct influence of co-operation upon debt. What of its ultimate object, the object that expresses itself in the phrase, 'Better business, better farming and better living'? Let us turn again to the record of societies that have completed ten years. There is nothing more stimulating than to glance through their reports. Nearly all tell of some material improvement, mainly, of course, in things agricultural. In a society of Gujars on the banks of the Beas, every member has a Meston plough. In another the village common land has been planted with trees with the express object of redeeming mortgaged lands when the timber can be sold. In other villages 'wells have been repaired, village meeting-places built or put in order, and grants for sanitary improvements have been sanctioned'.² In Sialkot four societies support a branch post office by contributing Rs. 96 for a post carrier, and in Gurdaspur a dozen societies have combined, with the help of Government and the District Board, to build a dispensary, which is being run under co-operative management.

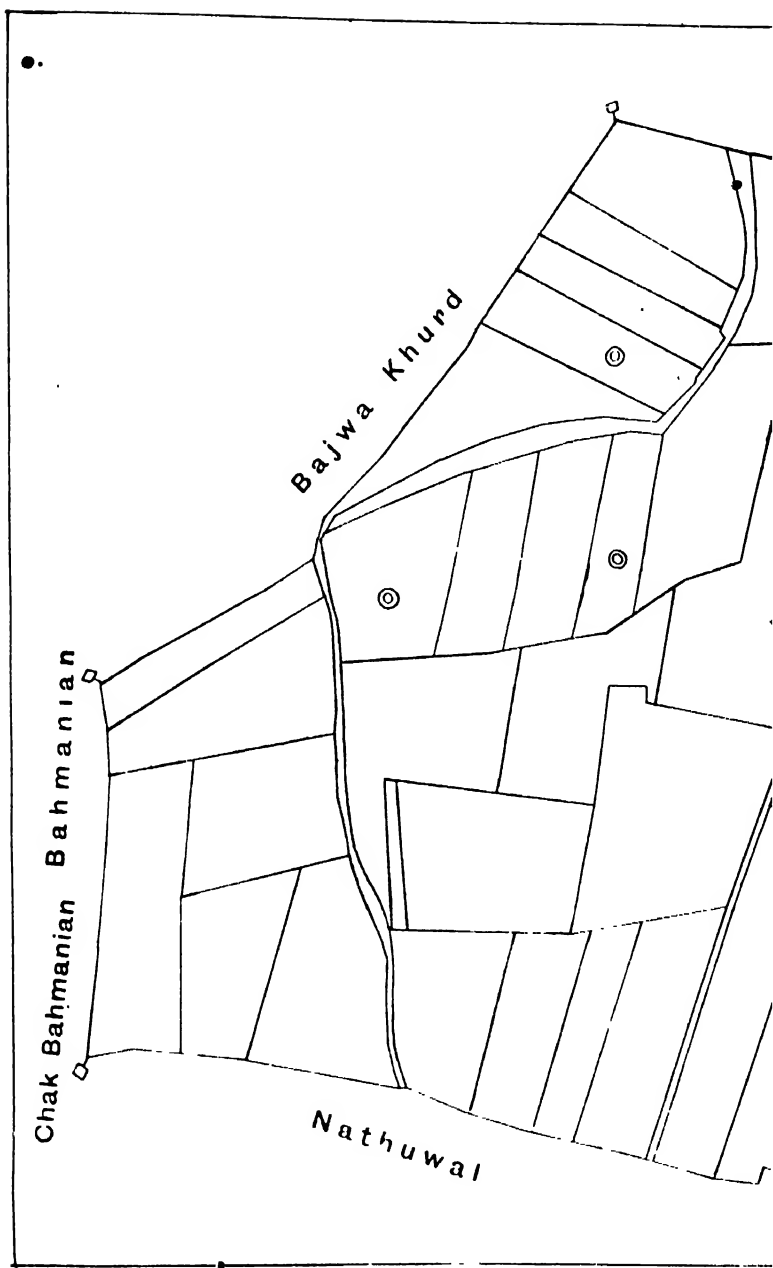
But much the most remarkable instance of material improvement due to co-operation is the consolidation of holdings. The importance of this work can hardly be exaggerated. It has repeatedly been emphasized that one of the most serious

*Other Material
Benefits*

*Consolidation
of Holdings*

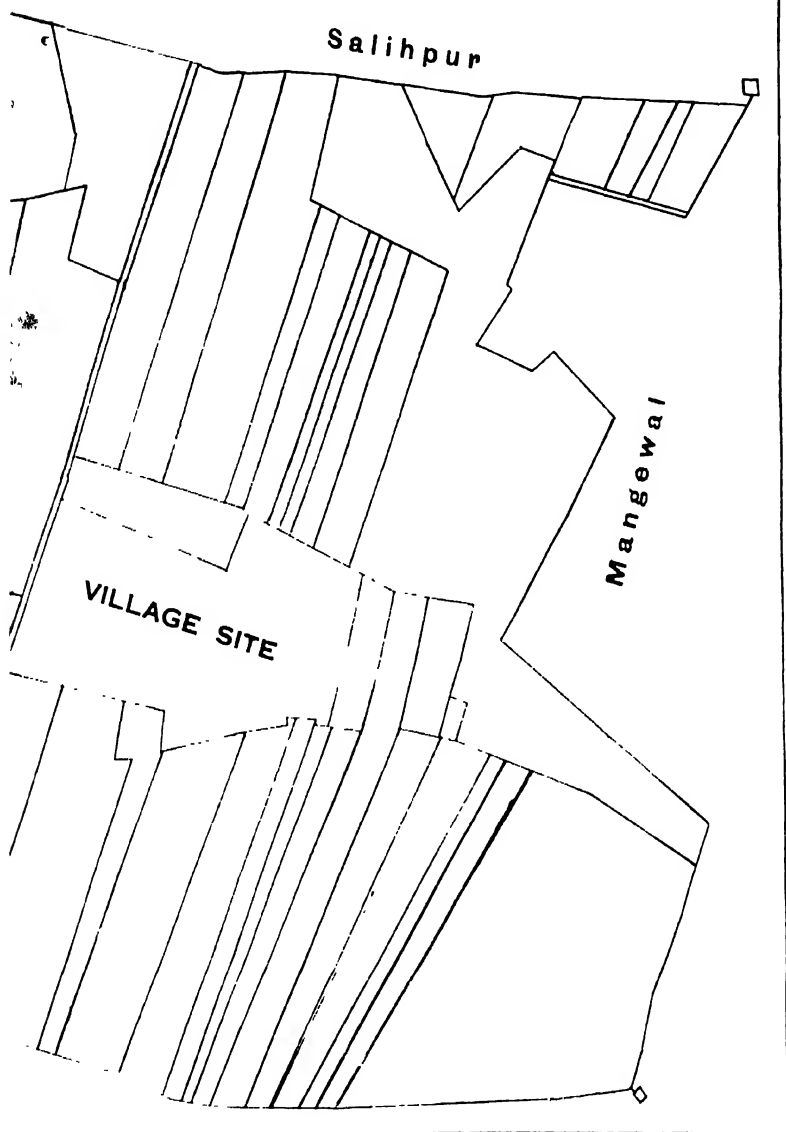
¹ See p. 218.

² *Co-operative Societies' Report*, 1923, p. 9.



FIELD MAP OF BHOYAPUR VILLAGE

AFTER CONSOLIDATION



causes of debt is the smallness of the average holding, which is greatly aggravated by the way in which it is split up into innumerable fields scattered round the village. It is obviously too late to increase the size of the holdings, and with an increasing population it will probably be impossible to prevent them becoming even smaller; but there is no reason, except human obstinacy and prejudice, why they should not be consolidated. For ten or fifteen years economist and official debated how it could be done, but it was left to Mr. Calvert to hit upon the discovery that co-operation provides the best solution of this most difficult problem. In three years 133 societies have been formed with the sole object of consolidating the holdings of their 5,000 members, and 35,000 scattered parcels of land have been consolidated into 4,500. 'It must not be expected', says Mr. Calvert, 'that whole tracts will be adjusted without great labour and much time, but a real revolution of incalculable benefit to the cultivators of the central districts has been definitely started.'¹

In two villages rents are said to have risen 25 per cent. as a result of consolidation; in three more eight wells have been sunk to irrigate land previously too split up to be worth the expenditure; in a fourth a long-standing boundary dispute between Sikhs and Muhammadans has been settled by giving each party a separate parcel of land in place of the old mosaic of mingled plots. In the Phillaur tehsil rain water is conserved on the larger blocks by building embankments, formerly impossible with tiny fields. Last year in Jullundur, where the evil of fragmentation is at its worst, 7,907 fields were reduced to 1,104, and their average size increased from less than half to nearly three acres. In the Nakodar tehsil 'each owner had on the average over five separate blocks of less than one-fifth of an acre each: now . . . the average is over three acres.'² In one Jullundur village an owner who had his land scattered in 200 different fields now has it

¹ *Ibid.*, p. 40. For a detailed account of what has been achieved see Mr. Calvert's paper printed in the proceedings of the 6th Annual Conference of the Indian Economic Association, 1923, pp. 121 *et seq.*

² *Ibid.*, p. 39.

in one, and five more have single plots where before each had over 100. In this district 47 new wells have already been sunk, and 1,750 acres of waste land, which was previously too minutely parcelled to be worth cultivating, have been brought under the plough. Infinite tact and patience have been required on the part of the small staff charged with the work, as it was a condition of membership of the society that nothing would be done unless the members were unanimous. It remains to be seen how far the movement will spread. Meanwhile, when we look at the first map of Bhoyapur (p. 272), we may well ask whether any real agricultural progress is possible till holdings are consolidated.

Materially co-operation has worked miracles, but, as every true co-operator knows, man cannot live by bread alone. Accordingly, wherever there is genuine co-operation, moral and material progress go hand in hand. It is difficult to give conclusive evidence of this, as the signs of moral progress are too elusive to be pinned down in a statement of facts ; but for all that they are unmistakable to close observers of the movement. Litigation and extravagance, drunkenness and gambling are all at a discount in a good co-operative society, and in their place will be found industry, self-reliance and straight dealing. In one village a member who made a regular income out of perjury was not only expelled, but excommunicated ; a day or two later saw him abjuring his evil ways by public oath in the village mosque. Round Lahore, where prosperity has been a corrupting influence, a number of societies prohibit, under penalty of fine, extravagant expenditure on marriages and funerals ; dancing-girls are forbidden at the one and costly entertainments at the other. Members, too, who get drunk are fined, and in one case a gambling president was expelled. These are only a few isolated instances, but a tiny straw is sufficient to show which way the wind blows. In this case the wind is undoubtedly from the right quarter, in proof of which two examples may be given.

The first is the strong desire for education now apparent throughout the movement, the latest manifestation of

(a) *Education* which is the formation of five Compulsory School Societies, whose members bind themselves, under a penalty of Rs. 50, to send their children to school for the full primary course. And not only do the parents send their children to school more readily than before, but many go to school themselves. A considerable number of co-operative schools have been opened in which men of all ages, after their work is finished, learn to read and write, and in some cases to master the elements of vernacular accounts, in order that they may be able to deal on a more equal footing with the bania. In one village, shopkeepers, carpenters, blacksmiths, water-carriers, potters, weavers and even goldsmiths are to be seen sitting side by side with the peasant proprietor. This is of good augury for the future, as the illiteracy of the village is one of the greatest obstacles to its progress.

Our second example is the foundation of arbitration societies, whose members all pledge themselves to settle their disputes by local arbitration instead of going to court. We have seen that, though litigation may not be a major cause of debt, it is a serious cause of waste, especially in the more prosperous districts, where immense sums are frequently spent in gaining or perverting the ends of justice (p. 76). What, however, is almost worse than the waste of money is the atmosphere of touting, extortion and mendacity, which the cultivator almost invariably finds when he goes to *kutcherry*. It seemed, therefore, worth while to Mr. C. F. Strickland and the writer to try and devise some means of saving him from a system which was almost as demoralizing as the prevailing system of credit. After much difficulty, two arbitration societies were opened in 1920. Once started, the movement spread, and in the next two years 148 societies sprang up. For the moment it seemed as if the countryside was about to be enriched with a new form of co-operation of permanent value, when suddenly a ministerial fiat was issued, and the societies were all incontinently closed. No doubt there were cogent reasons for this, but, unfortunately, they were not such

as could be understood by the 16,000 members affected, who were merely bewildered by an order in which they saw nothing but the urban mind's ignorance of rural conditions. The episode is a good instance of the extent to which rural development in this country is still hampered by the dominance of the urban standpoint.¹

There is one aspect of co-operation which combines in a special degree both the moral and the material advantages of

Thrift the movement, and that is its encouragement of thrift. There is no need at this stage of our enquiry to emphasize the supreme importance of thrift in India. In an earlier chapter we saw that the deeply ingrained improvidence of the country, combined with over-population, to which it is closely allied, is the root cause of the poverty of the people, and we noted that this was specially the case in the riverain tracts, where the standard of living was at its lowest. 'Even when holdings are small', says Mr. Thorburn, 'owners might in hard times avoid indebtedness or more than a small amount of debt . . . did they after short harvests economize every copper.'² We have had examples of the truth of this in the Mahtons of the central Punjab and the Ahirs of the south, whose frugality and industry—the two generally go together—enables them, in spite of adverse conditions, to keep the money-lender at bay; and even in the feckless south-west we read of a Jat, who, though his acres were few, was able to build a well for public use at a cost of Rs. 4,000.³ If co-operation did nothing else, it would be justified by the importance it attaches to thrift. Thrift, self-help and mutual help are the three watchwords of its creed, and in the Punjab village bank it seeks to give effect to the first, not only by attracting deposits, but also by inducing members to contribute every year some small sum towards the payment of a share which cannot be withdrawn till the society has completed ten years. In this way 50 lakhs have been accumulated, and there are 23 lakhs of members' deposits

¹ There has been a change in the ministry since the order in question was passed, and there is now some hope that the societies may be revived.

² Op. cit., p. 32.

³ *Rajapur A.R.*, 1919, p. 21.

as well. An attempt is also being made to organize thrift societies with the special object of encouraging saving, and so far 72 have been formed. In this respect the example for the Punjab to follow is undoubtedly France, which has the thriftiest peasantry in the world. So much is this the case, that its four or five million small holders know nothing of usury, and important works on rural economics omit all mention of the subject.¹

This chapter has dealt almost entirely with village banks. The reason for this is that they now exist in thousands and their experience can be generalized; they represent, too, 90 per cent. of the societies in India. Many other forms of co-operation are being tried, but nearly all are in their infancy and it is too soon to say which will take root. In the Punjab, in addition to those mentioned above, there are societies for the breeding of cattle and sheep, for the supply of implements and seed, the sale of produce, the insurance of cattle, the storage of fodder, and even for teaching better methods of farming. Amongst the more original experiments are societies for reclaiming land devastated by hill torrents and for clearing inundation canals of their silt (this has to be done once a year). Finally there are old-established societies for improving the craft of the weaver and the dyer, and for securing them a better market for their goods. It may now almost be said that there is no rural need that co-operation has not begun to tackle. The difficulty is that effort in all these directions demands energy and capacity for business, and that the climate saps the one and want of education weakens the other. This has necessitated a strong official organization to initiate the movement and to control and guide its development, and hitherto most of the driving force has come from this source. There is danger in this, for it is of the very essence of co-operation that men should help themselves and rely as little as possible upon Government. That is one

¹ e.g. *L'Evolution de la France Agricole*, by Michel Augé Laribé, and the studies of French rural families, by the Société d'Economie Sociale, in *Les Ouvriers des Deux Mondes*. •

reason why all good co-operators, official as well as non-official, ardently desire to see education (of the right type) brought to every village in the province. This, however, will take time, and, meanwhile, for the illiterate cultivator there is no better school than the village bank. Here even the humblest peasant may take his diploma, learning to look to himself instead of always to Government, to help his neighbours as he would be helped by them, to spend wisely and repay faithfully, to eschew extravagance, and, above all, to deal straight. For a country that is entering upon the perilous path of self-government these lessons are invaluable, and that they may be learnt is shown by what a proud Hindu Rajput, the president of a small village bank, once said to the writer. 'When the bank was opened I owed the *sahukars* a thousand rupees. Seeing that I had joined the bank, in their anger they pressed me for payment and haled me to the court. Decree after decree they got, till my own people said, "Declare thyself a bankrupt". But I remembered my *izzat*. I laboured hard, and one handful after another I gave them till the whole was paid.'

That is the voice of the true co-operator, and, as many hope, of India's future.

CONCLUSION

WE have now completed our study of the peasant proprietor of the Punjab, and it only remains very briefly to summarize our general conclusions. In doing this we must not forget the variety of conditions prevailing in different parts of the province : the security from drought in one area, the great insecurity in another ; the dense population where nature is bountiful and water abundant, and the wide empty spaces where life is hard and water scarce ; the prosperity of the canal colonies, and the poverty of the south-west ; the marked development of the centre of the province, with its large towns, its network of road, rail and canal, its many institutions, colleges and schools, and the primitive conditions of the more outlying districts. It is not easy, therefore, to generalize, and the degree of truth in every generalisation will vary with the part of the province to which it is applied. With this preliminary word of caution we may now state our conclusions.

The first and most obvious is, that the bulk of the cultivators of the Punjab 'are born in debt, live in debt, and die in debt'. Probably in no district are more than a third free of debt, and in some the percentage is less than ten. Moreover, mainly owing to the inflated value of land and the consequent expansion of credit, this debt is much greater than it was 50 years ago, and its rapid increase is depriving the cultivator of much of the benefit that he might otherwise derive from the growing prosperity of the province. It is unnecessary to recapitulate the causes of debt, but in examining them we saw that debt was allied to prosperity and poverty alike, and that, while its existence was due to poverty, its volume was due to prosperity.¹ We saw further that the link between the two was the money-lender, and that the latter is everywhere the evil genius of the cultivator, exploiting him when

¹ See p. 251.

he is prosperous, and enslaving him when he is poor. In business the strong invariably prevails over the weak, and the Indian village is no exception. Ignorant, improvident and unbusinesslike, the peasant in the past has been no match for the astute and rapacious money-lender, and has been as easily shorn of his gains as a sheep of its fleece. For a time the rapid increase in debt was kept in partial check by the Land Alienation Act, but, with the tendency of all protective legislation to defeat its own object, the Act fostered the growth of the agriculturist money-lender, and borrowing soon became as easy as ever. This would have been an advantage had the agriculturist money-lender allowed himself to be influenced by any fellow-feeling for his debtor, but in this respect there is little to choose between him and his professional rival: the one is as harsh as the other is astute, and both are demoralized by the system under which they work. Under this system the creditor is in danger of being turned into a tyrant and the debtor into a serf. The cultivator sows that another may reap, and toils that his creditor may gain. Of what use to him, then, are all the devices for improving the quantity or the quality of his harvest? As well teach him to convert his bullock cart into a motor, for all the good that it is likely to do him. Economic freedom is a condition precedent to progress, and to the Indian cultivator no freedom is possible till the power of the money-lender is broken.

Our second conclusion is that the peasant proprietor cannot keep out of debt unless he is exceptionally industrious and frugal, or has a second string to his bow.

Difficulties of the Small Holder This fact has again and again been stressed in the course of our enquiry, and, so far as the Punjab is concerned, it is abundantly proved by what we have encountered in different parts of the province. We have seen that where industry is unflagging and habits frugal, as amongst the Mahtons of Jullundur and the Ahirs of Gurgaon, or where, as in Rawalpindi, men are accustomed to emigrate or enlist, debt is comparatively light; but where these factors are absent, the peasant is largely dependent upon the money-lender. In general this conclusion agrees with the

experience of other countries. The English small holder, says Mr. Curtler, 'without any by-industry, has hitherto only been able to keep his head above water by a life which, without exaggeration, may be called one of incessant toil and frequent privation'.¹ In Japan, where 96 per cent. of the cultivators live on less than eight acres,² more than one-third of the farming population keep themselves afloat by the rearing of silk-worms.³ In Italy and France sericulture plays a similar if less important part, as also does the making of toys in Germany and Russia. In many parts of Europe it has been one of the difficulties of the small holder that domestic industries cannot stand the competition of the factory, and this was amongst the causes that led to the decline of the peasant proprietor in England in the eighteenth century.⁴ In other countries it has been met by the development of the more intensive forms of farming implied in market gardening, dairying and stock-breeding. But even so, in the richest part of England (the Isle of Axholme), 'it is considered that ten acres is the smallest area on which a man can support a family without any other industry to help him,'⁵ and where there is no live stock industry or market gardening twenty acres are needed.⁶ It is dangerous to compare two countries so dissimilar as England and India, but it is obvious that where, as in India, rural industries are relegated to the menial castes, and market gardening is considered polluting, and scientific stock-breeding is impossible to any but a Muhammadan, the economic holding is likely to be larger than where these restraints are absent. Nor, after examining the condition of the peasant proprietor in different parts of the Punjab, can we doubt that the eight or ten acres which he commonly cultivates are wholly insufficient, *under present conditions*, to maintain him in decency, independence and comfort.

¹ Op. cit., p. 317.

² K. Ogata, op. cit., p. 86.

³ Robertson Scott, op. cit., p. 151.

⁴ Curtler, p. 260.

⁵ *Ibid.*, p. 318.

⁶ A. W. Ashby, in *The Economic Journal*, March, 1917.

These conditions must, therefore, be changed. This, however, is easier said than done. Even if the restraints of religion and caste could be removed, the *Co-operation* problem would not be solved, for domestic industries cannot be improvised, nor can intensive farming be widely developed without far better communications and markets than at present exist. The position of the small holder, bound hand and foot to the money-lender and condemned to a system of farming which would only be profitable on a large scale, would be desperate but for one thing, the development of the co-operative system. In Europe, as in India, the old communal life of the village, with its joint cultivation for subsistence rather than profit, its common pasturing and its sharing of mill, bakehouse and winepress, prevented the cultivator from being exploited, and made him to a large extent independent of the outside world. But with its collapse, in the early part of the nineteenth century, the peasant found himself caught between the capitalist farmer on the one side and the shopkeeper, half trader half usurer, on the other; the one eager to deprive him of his land, and the other to rob him of the fruit of his labour. Isolated, ignorant and helpless, he must have fallen a prey to both, had not co-operation come to his aid with a new form of communal life, to protect him both within and without his gates.

It is now an accepted fact that co-operation is indispensable to the well-being of the small holder, and it is therefore matter for congratulation that one form of it at least, the village bank, has taken root in India. The village bank, as we saw in the last chapter, represents a form of money-lending which is totally different from that of the ordinary money-lender. The latter, in strict conformity with 'business', thinks of nothing but his own advantage, but a good village bank thinks only of the advantage of its members. The difference is fundamental. Provided that a man's credit is good, the money-lender cares nothing that his object in taking a loan should be bad. Nor will he try to recover his principal as long as he believes it to be safe; on the contrary, as likely as not, he will tempt his client to

borrow more. In contrast with this, the good village bank will not lend unless both credit and object are good, and it insists, moreover, upon punctual repayment. In this way the cultivator is taught the rudiments of sound finance, and, while he is learning, his borrowing is carefully controlled. This is of the utmost importance, for the experience of Europe shows that without control even an educated peasant will borrow, not as he must but as he can. A final advantage of the village bank is that, with greater control, it can afford to charge a moderate rate of interest, and compound interest is entirely banned. Loans no longer double themselves in three or four years, and so much is saved in lower interest charges that old debt can be reduced and be finally repaid in full.

Our next conclusion is that, in spite of all his disabilities, the cultivator is decidedly better off than he was seventy years ago when the province came under British rule. *Prosperity and its Dangers* Except in the south-west, where great poverty still prevails, his standard of living has risen materially and he is better fed and better clothed, and to some extent, also, better housed than he was before. But this he owes more to good fortune than to effort, more to high prices than to skill, and more to the labours of the canal engineer than to his own industry and thrift. What is easily gained is easily spent; consequently a great part of his new wealth has slipped through his fingers into the pockets of others. In thirty years debt has increased by fifty crores, and is still increasing. In this there is danger as well as waste. The waste is obvious and need not be emphasized, but the danger is less apparent. It is of two kinds—social and political. The social danger lies in the fact that, under present conditions, there is reason to fear that prosperity may do more harm than good. In Lyallpur, where the labour, endurance and enterprise of the colonist have been a main factor in the success of the colony, prosperity has been on the whole a beneficent influence. But in Ferozepore and the Manjha, where it has come as a windfall to the cultivator with little effort on his part to obtain it, it has merely provided the

population with the means of indulging their cruder tastes. Which of these two tendencies is likely to prevail in the future it is difficult to say, but that there is cause for alarm is clear from the fact that, apart from the canal colonies, where conditions are special, the most prosperous districts would appear to be the most highly indebted. It is an unexpected result of this enquiry that it suggests that the two conditions most favourable to debt are insecurity of harvest and prosperity, and that of the two prosperity has the greater effect. As there can be no prosperity without security, it would seem as if security and insecurity are alike inimical to the cultivator. This would be a depressing conclusion to arrive at in a province in which ten million acres have been secured from drought by the construction of canals. Actually there is an important difference between the two factors. Where there is insecurity a man borrows because he must, but where there is security and consequent prosperity he borrows mainly because he can. This evil is the less serious of the two, as the temptations of opportunity are more easily resisted than the obligations of necessity. The remedy is, in fact, in the cultivator's hands, and what this remedy is we have endeavoured to show in these pages. A difficulty in applying it is that the peasant is uneducated, and in general it may be said that with an illiterate peasantry, who have always been poor, a sudden access of prosperity is more likely to do harm than good unless credit is controlled.

The political danger of prosperity is even more subtle. It is due to the combination of a rise in the standard of living with an increase of population. In the last forty years the latter has increased by 22 per cent.,¹ and in the last census decade, in spite of an epidemic of influenza which carried off about a million, it has risen by 6 per cent. It is true that, owing to the spread of the canal, production has increased even faster, and that there are still large areas to be colonized. There would, indeed, be no immediate cause for anxiety if the cultivator were likely to remain content with his present condition. But, as we remarked in the chapter dealing with

¹ From 16·9 to 20·7 million (excluding Indian States).

the subject, when a standard which has been stable for centuries begins to rise, forces are awakened which are difficult to check, and discontent and unrest are apt to appear. The Akalis and their *Jathas* of restless Sikhs are a good instance of this. Both politically and socially, therefore, prosperity has its dangers, and the best way to counter them is to teach the peasant to base his higher standard of living upon the avoidance of waste and upon the exercise of industry, intelligence and thrift.

In substituting a good credit system for a bad, co-operation is doing its best to this end, and if it succeeds in the more difficult task of securing the cultivator the full fruits of his labour by making him independent of the middleman, more than half the battle will be won. But co-operation cannot do everything. 'The husbandman', says Socrates, 'produces many fine results, but the crowning results of them all is that he makes the earth produce food.'¹ Now experience shows that the cultivator who avails himself of the resources of science is able to produce more and better food than the cultivator who relies entirely upon tradition and custom, and it is clear that, with co-operation to help him, the more food he produces the better off he will be. It is to his interest, therefore, that he should be taught the secrets of science. This the Agricultural Department is attempting to do, but so far, partly because it is still in its infancy and partly because its equipment is inadequate to the magnitude of the task, it has only touched the fringe of the problem. The vast mass of the people still cultivate on primitive lines, looking more to subsistence than to profit, and caring less for improvement than for tradition. The idea of progress is opposed to their whole conception of life, which is dominated by the blind conviction that man is ruled by fate, and that the earth yields her increase not as man works but 'as God wills'. A hundred years ago the European peasant was in much the same case, and even at the end of the last century Sir Frederick Nicholson speaks of him as 'the most bigoted of

¹ *Euthyphros* (tr. F. J. Church).

conservatives', adding that 'routine and his father's customs guide him as they do the Indian peasant'.¹ We need not therefore despair, the less so that there is a growing disposition, especially marked in the canal colonies, to employ more efficient implements, use purer seed, and cultivate the more lucrative crops. Communications, too, without which there can be no agricultural progress, are improving, and education is slowly spreading. These are promising signs, and there is now reason to hope that in time production may be increased to such an extent that a higher standard of living will be generally possible. But for this purpose it will be necessary to strengthen the Agricultural Department and to organize agriculture to the utmost. The importance of organization in relation to all forms of development in this country has been emphasized more than once, and we may emphasize it again, repeating that in India the forces of nature, religion and custom are too strong for the individual to combat alone. With her three scourges of drought, disease and flood, nature in the East is more like an avenging deity than the kindly, if fickle, goddess familiar to the West. Religion and custom are only less powerful, and their dictates have the sanction of too many centuries of practice for the illiterate cultivator to think of challenging them unaided.

So far as the rest of India and its 300 millions are concerned, no one can doubt that the supreme need of the country is food, more food, and still more food. But in the Punjab so much land remains to be colonized that there would appear to be no risk of population overtaking production within any measurable distance of time. In regard to this two points may be urged. In the first place, we have had repeated occasion to comment on the tendency in this country for every material blessing sooner or later to be neutralized by an increase of population. 'When goods increase', says an ancient sage, 'they are increased that eat them.'² If this is true, the growing prosperity of the province is likely to lead to a rapid increase of population. A good example of this is the

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¹ Op. cit., i, 43.

² *Ecclesiastes*, v.

case of the Lyallpur Colony, where there are now over 1,100,000 souls against only 60,000 thirty years ago. The other colonies will probably fill up as fast, and when this happens it will become increasingly difficult to relieve the congestion of the central districts, in nearly all of which there are more than 600 to the cultivated square mile. Already there are ominous signs of unrest in this area, signs that we shall be wise to take as a warning of what might occur on a larger scale should a general increase of population bring the rise in the standard of living to a standstill. This is an argument for stimulating production on the one side and checking population on the other.

Had India been able to keep her population in check, she would not have been poor. 'If', says Malthus, 'it were the general custom to follow the first impulse of nature and marry at the age of puberty, the universal prevalence of every known virtue in the greatest conceivable degree would fail of rescuing society from the most wretched and desperate state of want.'¹ The root cause of India's poverty could hardly be better expressed, for it has long been the custom to follow the first impulse of nature, and marry as near the age of puberty as possible. The awe-inspiring result is the addition of over 100 millions to the population in fifty years.² Could an agricultural country with a wholly primitive system of agriculture be anything but poor under these conditions? The obvious remedy is to defer the age of marriage till wife and family can be properly supported, and this is Malthus' cure for over-population. Unfortunately, in India it is a semi-religious duty to marry, and, like all religious duties, the obligation is apt to be undertaken without counting the cost. The frequent recurrence of marriage and the extravagant sums that are usually spent upon it are, as we have seen, one of the basic causes of debt. It is, therefore, satisfactory to note that there is now a tendency to defer the consummation of marriage till well after the age of puberty has been

¹ Op. cit., Bk. iv, ch. 1.

² The population of India has risen from 206 millions in 1872 to 319 millions in 1921.

reached, and broadly it may be stated that in the village this now takes place two years later than it did twenty or thirty years ago. This is probably due to the rise in the standard of living, and it is a further argument for raising the latter by every means in our power. Up to a certain point it would seem as if the breeding propensities of man were kept in check only by the amount of available food, and that it is not till this point has been passed that other factors come into play. Whether or not this point has been reached in the Punjab it would be difficult to say, but till it is reached no definite progress is possible. From every point of view, therefore, it is of the utmost consequence that the general standard of living should be raised. We say advisedly 'the general standard', for if the few are allowed to develop at the expense of the many, the tendency will be, as is now the case in western Europe, for the inferior stocks to breed at the expense of the finer.

Our second point deals with an aspect of the problem which touches the Punjab more closely than any other part of India. To a large extent the great increase in the population of the province and the rise in its standard of living are due to the security conferred by British rule and the efficiency of its administration. This applies no doubt to the whole of British India, but, apart from a few large towns, the economic effect of British rule has been greater in the Punjab than anywhere else, for five million acres of virgin soil have been brought under the plough and another five million secured against drought by the construction of 20,000 miles of canal. The result is that the bulk of the four millions, by which the population has increased during the last forty years, owe their very existence to the British Government and the canals it has made. The moral of this is that, if there were a serious decline in efficiency, it would soon be found that less water was available, and if less water were available, less land could be cultivated, and many who are now thriving might find themselves reduced to beggary. Still worse would be the effect of any general collapse in the security of the province, for then the whole canal system might be thrown

out of gear, in which case large numbers would find their very existence imperilled. How, for instance, could the 1,100,000 inhabitants of the Lyallpur Colony exist if the head-works of the Lower Chenab Canal were destroyed? To most the danger will appear remote, but in the transitional stage through which we are passing it is not one to be entirely ignored, and even those who rate it lightly will do well to remember the peculiar importance to the province of two blessings that do not stand as high in popular estimation as they did, namely security and efficiency. In this respect the Punjab stands to lose more than other provinces, as its prosperity rests upon what is largely an artificial basis, and we have the example of Europe to show that a civilization that is based mainly upon the contrivances of man is more easily disorganized than one that is based mainly upon the spontaneous bounty of nature.

Provided that the security of the country is preserved and that a reasonable level of efficiency is maintained, we may look forward to the future with confidence. Since the War a new spirit is abroad and there are unmistakable signs that the peasant is awaking from his sleep. For the moment he is like a child rubbing its eyes after sleeping the round of the clock. Bewildered but conscious, he is beginning to take stock of his surroundings, and finds them less satisfying than before. In France he saw an entirely new order of rural life, and realized with surprise that the village can be as civilized as the town. The sight of the French peasant educated, prosperous and independent, has roused in him a discontent with his own surroundings that will not be easily allayed. Though still a fatalist, he no longer believes that change is impossible, but he has little idea of how to effect it. It would be easy to exaggerate the strength of this spirit, particularly in the remoter parts of the province, where all the old ways and many of the old superstitions still prevail. It is at its strongest in the canal colonies and in the central Punjab, and it may be found wherever men went to the War in large numbers. Its effect is to be seen in the waning influence of the professional money-lender, who has

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begun to find the peasant proprietor both his match and his rival; in the desire for education, which in some areas has led to its being made compulsory; in the rapid spread of the co-operative movement; and also in the unrest which infects certain sections of the community. Even in the backward south-west there is said to be an atmosphere of expectancy and a predisposition to change. Everywhere the age-long isolation of the Indian village is breaking down, and, as intercourse with the outer world is established, a new self-consciousness is dawning. Never has the province been more prosperous or its people more alive. Never, therefore, has the time been more propitious for grappling with the problem of poverty and waste. But before this problem can be solved it must be understood, and before it can be understood it must be carefully studied; and in this study we must realize that agriculture is the chief industry of the Punjab and the agriculturist its main support. 'The well-being of a people' says a Chinese philosopher, 'is like a tree; agriculture is its root, manufacture and commerce are its branches and its life; if the root is injured, the leaves fall, the branches break away and the tree dies.' At present the root is full of sap, but it is in danger of being eaten away by the white ant of unproductive debt, and of being rotted by the stream of prosperity. If debt can be made productive and prosperity turned into a source of strength, a new and more enlightened civilization, based upon industry, intelligence and thrift, should be within the reach of the peasant of the Punjab.

7th May, 1924.

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NOTE.—*S.R.* in the foot-notes stands for *Settlement Report*; *A.R.* for *Assessment Report*; *Gaz.* for *Gazetteer*. About 200 Gazetteers and Settlement and Assessment Reports have been consulted.

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